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Ideas on Liberty

AUGUST 1980



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Tel: (914) 591-7230

Leonard E. Read, *President*

Managing Editor: Paul L. Poirot

Production Editor: Beth A. Hoffman

Contributing Editors: Robert G. Anderson

Bettina Bien Greaves

Edmund A. Opitz (Book Reviews)

Roger Ream

Brian Summers

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INTERNATIONAL TERRORISM: THE DEADLIEST PLAGUE

GOVERNMENTS around the globe today shudder in the grip of a violent force as ancient as that which took the life of biblical Abel. One after another, nations are shutting down normal channels of international diplomacy and replacing them with the brutal tactics of terrorism and war. Both advanced and primitive social orders lurch from crisis to crisis, eventually being wrenched asunder by rebellious forces who sprout humanistic rhetoric while slaughtering all who oppose them.

These forces are often terrorists and they speak with the voice of guns. They claim to be advance cadres of liberation armies but their intent appears to be to liberate hu-

manity from any trace of the veneer of civilization which still exists.

What are the roots of terrorism? Why have terrorist tactics so thoroughly saturated modern political behavior? Is there any possibility of restoration of less violent modes of persuasion or is our time destined to sink beneath a morass of mutual slaughter? These questions hang in the wind, haunting our era. Unless answers are found, and soon, the fire of terrorism may decimate the entire civilized world.

Epidemics race through susceptible populations, leaving death and disability in their wake. If the epidemic is virulent enough or host resistance low enough, entire nations may fall and in retrospect only is it then labeled a plague. The historical record acknowledges plagues caused by infectious micro-

Ben Barker, M.D., of Oxnard, California is a specialist in psychiatry and contemporary therapeutic techniques.

organisms but mistakes those caused by infectious ideas for other things. They are called wars, or crusades, or invasions, or migrations, or a host of other names which disguise the infectious origin of the ideas which precipitated the events considered.

Virulent, destructive ideas resemble infectious micro-organisms in that they do not disappear—the host organisms merely develop resistance. The original Black Plague bacillus is still with humanity, waiting for the conditions to recur which once allowed it to run amuck. So is the polio virus, the syphilis spirochete and the tuberculosis bacterium. In a similar way, Hitler's ideas on racial superiority are still around and still causing problems.

Ideas Have Consequences

The epidemic of terrorism now with us is the natural and inevitable consequence of ideologies almost universally endorsed and supported by existing governments and dominant institutions. This is especially true of institutions of higher education. The more these ideologies proliferate and the more complete their societal implementation, the more likely are they to result in the destruction of all existing governments, social orders and institutions. This includes, but is not limited to, institutions of higher education.

The apparently diverse mix of ideas which have linked to spawn terrorism appear more similar in what they deny than in what they advocate. Marxism, hedonism and determinism all agree that man or his creations (the state or social order) are the ultimate arbiters of individual behavior. In so doing they deny the existence and preeminence of a source of behavioral standards external to the mind of man. That could be a suicidal mistake.

The significance of this denial of an external primary source of morality is that morality must then spring from subjective sources. Social orders which take this first step seal their own fate, only the manner of death is in question, for the First Rule of government is thereby abandoned. That rule is that government must serve the common good. If this rule of right is lost in a culture it is but a matter of time before all traces of that culture sink into the abyss of timeless anonymity.

When confusion and subjectivity enter a social order and the common good is no longer self-evident, then that society is in danger of extinction. But what is the common good? Merely that which has stood the test of time as being fair and equitable. This also defines justice, and for justice to serve its function properly it should be a concrete, recognizable and objective principle. The appro-

priate implementation of justice, then, is based upon the common acceptance of objective principles of behavior—or upon morality.

As is obvious, searching for a definition of morality, justice or the common good becomes an exercise in circuitous logic *unless* a reality which precedes and is independent of man's mind is acknowledged. Such a reality, whether it is labeled God, Tao, the natural order or whatever, is precisely what modern man-centered ideologies deny. This denial has helped to bring on the current plague of terrorism, and until this truth is recognized by enough thinking men we will remain infected by this virulent force.

The Rule of Expedience

When the rule of right is abandoned, it is most often replaced by the rule of expedience. Whose expedience? If the expedience of the wealthy few, then we have oligarchy, if the state bureaucracy itself, then we have socialism. In any case, the rule of right is defunct and replaced by a subjective code implemented through the use of coercive tactics. This is the rule of force and the rule of force is lawlessness: it says that you may do whatever you please to your neighbor, provided your weapons are more numerous and deadlier than his.

In such circumstances any force that works will receive societal

sanction, for standards of morality are no longer applicable. Can it be true that even the U.S., born of the Constitution and nurtured on the principles of the Bible, has succumbed to the rule of force? Let us examine the evidence.

In her 1957 book *Atlas Shrugged*, author Ayn Rand defined appropriate government as follows, "The only proper functions of a government are: the police, to protect you from criminals; the army, to protect you from foreign invaders; and the courts, to protect your property and contracts from breach or fraud by others, to settle disputes by rational rules, according to *objective* law."

This is a definition that appears to resemble the ideal that the U.S. founding fathers had in mind when the Constitution and Bill of Rights were drafted and implemented. It endorses a concept of limited government intervention in the affairs of citizens. In the same work quoted above, Rand goes on to describe her version of a government gone berserk.

"But a government that *initiates* the employment of force against men who had forced no one . . . is a nightmare infernal machine designed to annihilate morality. Such a government reverses its only moral purpose and switches from the role of protector to the role of man's deadliest enemy, from the role of policeman to the role of a

criminal vested with the right to the wielding of violence against victims deprived of the right of self-defense."

Violation of Property

It is especially inimical to liberty and justice if government fails to respect private property. So it follows that if government uses coercion to extract private property or wealth from one citizen in order to distribute it to another it has abandoned the rule of right in favor of the rule of force. The victims are the inventive, productive, thinking minority who have been hoodwinked into accepting an ideology which betrays their minds.

All property and all forms of wealth are produced by man's mind and his directed, purposeful labor. In a free society, each productive person has the right to determine the disposition of his own property (wealth, products, services). Totalitarian societies, on the other hand, often forcefully take property away from individuals and dispense it as the government sees fit.

It does not make the government any less evil or totalitarian if it dispenses such forcefully looted property to other needy citizens, other needy countries, or simply retains it within its own coffers. The common good has been breached, for coercion was used to take private property from a productive citizen. The basic premise of the ideology of

Marxist socialism is, "from each according to his ability, to each according to his need." This premise thus appears to fly in the face of the rule of justice.

A state which implements this socialist premise will use force if necessary to take assets from the productive and distribute them to the indolent. Do the income tax and welfare systems accomplish this end? Does my neighbor's need entitle him to use a gun to remove food from my table? Does handing the gun to an agent of the state make the actual act of armed robbery less evil?

Forms of Lawlessness

The use of force to accomplish ends not in the interest of the common good is lawlessness, whether done in the name of a national government or a so-called Liberation Front. The use of the process of education to inculcate abandonment of morality endorses lawlessness whether accomplished with government funds in modern colleges or in jungle huts in Africa. The use of public funds to purchase murder is lawlessness whether it buys the firing squads of Ayatollah Khomeini or the suction catheters of the abortionists.

When enough Americans learn to recognize identities, we will understand why terrorism is sweeping the globe. The Marxist ideology which

saturates the halls of higher education both here and abroad endorses the rule of force and abandons the rule of justice when it disavows private property. It places the mythical state in the place of God, and in so doing replaces the rule of objective morality with the rule of subjective expedience. Such a system denies something very basic to the human being and results in destruction and dissolution, not love and sharing.

The something basic that is crushed is very likely the spirit within, which requires a moral environment in order to achieve expression. Individualists are compelled to flee or rebel against a social system which demands conformity, for mindless conformity is alien to their personalities. Some, the terrorists, are fascinated by and drawn to violent rebellion. They are the lawless breed spawned by governments which have abandoned the rule of right in favor of the rule of force.

So that is quite possibly why onlookers experience ambivalence to terrorist scenarios. When two lawless gangs engage in combat the result is entertainment, *not* a moral conflict. From the murder of the Israeli athletes at the 1972 Munich Olympics to the current stalemate in Iran, one glaring theme prevails: terrorism is theater. It seems just and fitting that an era so hypnotized by the myopic, numbing gaze of

television should bring into being outlaws who gauge their effectiveness by the amount of prime-time coverage they garner.

A Barrage of Violence

Day after day, sacraments of violence are flashed into our homes to outrage, thrill, titillate and amaze us. Tourists are shot down or blown apart in airports, children assaulted, executives and politicians snatched or slain. And with each escalation of violence our sensation-saturated culture grows more indifferent and jaded. The passive acceptance of these heinous events may in itself be as dangerous an omen as the terrorist acts themselves, for it suggests a culture insensitive to evil.

Often, in fact, the perpetrators of these violent assaults are accorded a glamorous notoriety akin to that given motion picture idols. The bold, reckless and flamboyant nature of their deeds appears to excite admiration and the antisocial, destructive aspect of their actions is nearly overlooked. Such, then, have become the heroes in this age of decadence: nihilistic malcontents who lay down the lives of others at random in the guise of a noble cause.

To heap adulation upon such individuals is but one more symptom of the demise of morality in our social order. An element in producing this state of affairs has been the misconception that absolute, unrestricted

personal freedom was not only possible but desirable in a social setting. The perverse effect which follows from this concept is that the ultimate good is pleasure, and that full gratification of the appetites and passions is a worthwhile individual aim.

This philosophy of hedonism has also been cultivated by our institutions and commercial enterprises. Such an ideology compels the believer to view the social order with its restrictions, rules and regulations as an inhibiting influence upon his behavior. Thus, this is also a philosophy of lawlessness.

By contrast, in a society in which moral precepts function as a guide to the equity of human and property rights, internal individual controls function as powerful tools of behavioral restraint. If the majority of citizens truly believe that stealing is wrong, then they will choose not to steal and the job of guarding property will be relatively easy. Repeated reiteration of the moral code, especially to the young, will serve to inculcate within them the capacity for shame. Shame is, in such cases, a painful emotion caused by the consciousness of guilt, shortcoming or impropriety. The susceptibility to this emotion will be especially marked in those families in which the parents appear to function by the same moral code they teach their children.

So, we see another ideology which is an obvious invitation to social disaster. Hedonists place sensual enjoyment at the pinnacle of their preference code, and the end justifies the means. The Marxist places the mythical proletariat at his pinnacle, and again the ends justify *any* means. Likewise, the Machiavellian power brokers playing the game of control and dominance in all the capitals of the world worship ends and rationalize all means as acceptable.

Blaming the Environment

The individual capacity for shame is diminished by yet another prevalent modern idea, that is the concept that man is no more than the final result of the forces acting upon him. In this ideology, man cannot be guilty of wrongdoing. The blame is cast upon the environment and hence evaded by transference and projection. The terrorist, it would propose, is not an evil, angry man acting on his own destructive impulses, he is merely another victim of society. He has been passively infected, so to speak.

Man, thus, is not responsible for his own lawlessness—it is hereditary or due to any number of external forces. The blame *must* belong to the non-criminal who has somehow fostered the repugnant chain of reactions we call crime. Intrinsic to this ideology of determinism is that the

personality of an individual is almost solely a consequence of social interactions, especially his early infantile relationships.

But is that true? Anyone who has watched newborn infants in a nursery knows that these squirming, screaming miniature humans are not inert lumps of clay. Each one is different somehow from all the rest and from all who have gone before or who will follow. Determinists credit differing intrauterine environments or differing chromosomal make-up for these inherent differences in response patterns. Perhaps they are correct.

Perhaps, though, what we see in newborn infants is the initial expression of free will. Within each there may be a spirit beyond man's intellectual comprehension which modifies and shapes the individualistic responses to identical external stimuli. Perhaps, too, this undefinable spirit within possesses both the capacity for moral behavior and for wrongdoing, and the direction in which it moves is influenced by the free will of the organism.

Free Will

Free will is, always has been, and always will be a major causative element underlying specific individual behavior. It cannot be ignored merely because it cannot be quantified by behavioral scientists. People who will themselves toward

success tend to enjoy full, stimulating lives and tend to minimize dullness and repetition in their career choices. Is it not possible that terrorists and major criminals of other types engage a similar motivational mechanism into their personality and will themselves toward crime?

The drive to achieve power, notoriety and excitement can be expressed in ways very harmful to society, and that appears to be what happens in the case of the unrepentant criminal. Any number of legendary lawbreakers in published biographies and autobiographies refer to the stimulating challenges they found in their calling. Malcolm X, in his ghost-written autobiography was specific and particularly graphic in describing the thrills associated with his life of crime and debauchery. His conversion to the Muslim religion and to an accompanying life style of evangelistic fervor and self-denial speak strongly for the role of free-will in modifying behavior.

What is missing in the ideology of determinism is any absolute standard of moral conduct. Neither justice nor a viable social order may be possible without such standards—and it is this truth that the voice of guns is spelling out to us all.

So, the plague of terrorism sweeps the globe, invading host nations whose resistances are impeded by ideologies which either foster or for-

give terrorist acts. As long as hedonistic and Marxist ideologies dominate the intellectual climate of our colleges and universities these institutions will turn out products who will serve the rule of expedience rather than the rule of morality.

As long as governments and the criminal justice system endorse and implement an ideology which defines the lawbreaker as the passive victim of external forces we will breed more lawbreakers. When lawbreakers are coddled, not punished, then the rule of justice is extinct.

It is possible that the deadly plague of terrorism now loose in the world is but a warning of worse

times to come. Perhaps if men of thought and action take steps to restore the rule of morality to government our drift into lawless chaos may be reversed. Liberty, private property and objective standards of moral behavior are inextricably linked in a free society. One cannot be sacrificed without the others eventually tumbling away.

Unless we take warning, "From each according to his ability, to each according to his need" may sound the death knell to civilization. The terrorists may merely be one of many deadly plagues that we may soon face. ☸

Violence as a Way of Life

I can still remember when the income of farmers came from willing exchange; when people lived in houses built with the fruits of their own labor; when wage earners, for the most part, were no more compelled to join unions than businessmen were forced into chamber of commerce membership or parents into the P.T.A. Violence as a way of life was in those days perhaps at an all-time minimum.

Man either accepts the idea that the Creator is the endower of rights, or he submits to the idea that the state is the endower of rights. There is no third alternative.

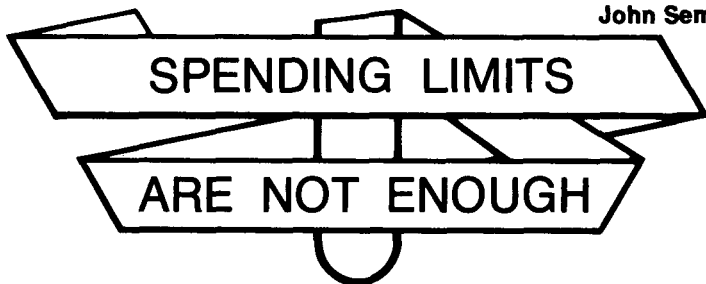
Those who accept the Creator concept can never subscribe to the practice of violence in any form. They have been drawn to this concept, not coerced into it. If we would emulate, as nearly as we can, that which we have learned from this relationship, we would confine ourselves to this same drawing power. As Gerald Heard so clearly puts it: "Man is free to torture and torment himself until he sees that his methods are not those of his Maker."

LEONARD E. READ

IDEAS ON



LIBERTY



SPENDING LIMITS ARE NOT ENOUGH

THE enormous increase in government expenditures over the last fifty years has inspired efforts to place some sort of control on the expansion of government budgets. One popular approach, favored by the National Taxpayers Union, would enact a Constitutional amendment requiring a balanced budget. Another approach, favored by economist Milton Friedman, would limit government revenues to a fixed percentage of the national income.

While these ideas have merit as devices for placing some degree of constraint on the government's consumption of resources, they are not enough. In fact, unless such proposals are explicitly recognized as interim measures, they could lay the groundwork for a more serious erosion of property rights later on.

The balanced budget proposal fo-

cuses on the government's deficit between receipts and expenditures. Beyond question, the perpetual resort to deficit finance must result in the diversion of resources from the private sector to the government's coffers. This can happen either through the "crowding out" of would be private borrowers when large public debt issues absorb available investment capital, or by inflating the money supply. The "crowding out" phenomenon shifts resources from more productive private purposes to less productive government purposes. Inflation employs legal means to diminish the value of all dollar holdings and fixed income receipts. The havoc wrought in the corporate bond markets, where top-rated bonds issued when interest rates were two and three percent now sell for fractions of their original cost, is a dramatic demonstration of the ill effects of both phenomena.

Stopping these ill effects is a worthy objective, but a balanced

Mr. Semmens is an economist for the Arizona Department of Transportation and is studying for an advanced degree in business administration at Arizona State University.

budget alone will not achieve it. The government may just as easily balance the budget by raising taxes as by cutting spending. An increase in taxes does not require Congressional action. The government has all the power it needs to increase taxes without going through the trouble of enacting new levies, although the enthusiasm shown for the imposition of a "windfall profits" tax on oil illustrates the willingness of Congress to use manufactured crises as a means of raising taxes. Because the tax system is "progressive," i.e., the rates increase as the taxable resource rises in nominal value, the government can raise taxes by inflating the money supply. The heart of the President's plan to balance the budget is to increase the tax take by pushing taxpayers into higher tax brackets.

While a balanced budget might be an improvement over the current situation, the key weakness of such a device as a control over government spending is that it says nothing about the magnitude of that spending. The primary evil in government spending is not that it is deficit spending, but that it is consuming ever larger proportions of the nation's wealth. In the last 50 years, the government's "take" of the national income has risen from under 15 per cent to over 40 per cent. It is to remedy this situation that we have the proposals to limit

government spending as a percentage of the national income.

Spending limitation measures have been discussed and even, in some jurisdictions, passed as a means of controlling the government's appropriation of resources. Without limits, the projected outcome of existing trends is for the government to consume the entire national income within 30 years. A number of proposals have been introduced in Congress. Whether any of these can serve as a real constraint on spending, however, is doubtful. On the one hand, it is a fundamental principle of legislative procedure that a subsequent body of Congress cannot be bound by an action of a prior body of Congress. Any limitations legislated in one session may be overridden by a simple majority vote in a later session. It is obvious, then, that if a spending limit is to be binding, it must come in the form of a Constitutional amendment.

Limiting spending by Constitutional means was the route taken by the Arizona Legislature in 1978. The problem with virtually all of the proposals to use Constitutional means is the overwhelming reluctance to draw a hard line on the spending issue. Such was the case in Arizona. While the Constitution now limits state spending to no more than 7 per cent of the personal income of the inhabitants, the deter-

mination of what constitutes state spending is a matter of legislative enactment. Not all state spending is state spending, or so it seems. Certain categories of revenues and outlays are declared exempt from the spending ceiling. Curiously, the rationale for exemptions is that services rendered for fees should be excluded from the spending limit. This says much about the character of the remaining outlays—namely, that they are not services rendered for fees. This is an admission that the bulk of state government expenditures are for activities that would not be purchased on a fee basis.

One should not be surprised to discover attempts at reclassification of which expenditures are to be exempt. It is barely a year since the enactment of the Arizona spending limit and the legislature has already passed a measure designed to exempt additional gasoline taxes from the 7 per cent limit.

The fundamental problem with the spending limits proposed to date is the lack of respect for basic private property rights. The proposals rest on the premise that the government is entitled to take as much of the national income as it needs. This explains the universal provision for loopholes and escape clauses. In essence, the spending limit proposals are concessions to the current taxpayer outrage. The government is willing to reach a

temporary compromise and agree to limit itself to a specified percentage—unless it needs more for unforeseen “emergencies.”

Valid as a contingency plan might be—the usual example is a conjured vision of world war—it will be abused. The government itself can create the emergency through its own ineptitude or malicious intent. The “emergency” in Arizona is the deterioration of the road system. If the rather drawn out consequences of inadequate highway maintenance can qualify as an “unforeseen emergency” that necessitates a breach of the spending limit, then there is, in fact, no spending limit.

Arbitrary spending limits concede the government too much. The involuntary nature of taxation has enabled government to decide for itself how much it will take from its citizens. Merely fixing a percentage limit does not deal with the valid issue of the purposes of government activity. It is all too likely that spending limits will serve to legitimize a claim to a portion of the national income that is not subject to question. If the government provides some services or encounters “emergencies” it will have little difficulty enlarging its take.

If there are genuine functions to be performed by governments, then the historical experience of man’s economic activities quite clearly indicates that the proportion of income

consumed in the provision of such services should be declining. No services can be more valuable or necessary than the provision of food, clothing, and shelter. The marketplace has been coping with the provision of these items for years. In the last 50 years, the proportion of the national income consumed in the production of food, clothing, and shelter has declined by 33 per cent, 50 per cent, and 17 per cent respectively.

The efficiency of the free market is responsible for the decline in cost of these fundamentals of life. The pressure of competition drives suppliers to cut costs. The prosperity engendered by the free market enables consumers' real income to rise so that individuals can afford more than just the necessities.

The government is not subject to the forces of the marketplace. As a result, the proportion of the national income consumed in the public sector has risen by 212 per cent during the past half-century. Insulated from competition, government becomes less and less efficient. Bureaus and rules proliferate, consuming more resources to do less. Unable to generate a desirable product, government, via legislation, simply helps itself to larger shares of consumers' income.

Logic and experience warn that entitling the government to a fixed cut of the national income or de-

manding that its budgets be balanced is not enough. The government acts beyond the beneficial guidance of the market regimen. This has bred a sloppiness that has led to a dangerous obesity of the public sector. For its own good, the government must be put on a more healthy diet. Its intake must be matched by its output. As much as is possible of its activities must be cut free from the tax-fed trough. Services that are conducive to operating on a fee basis should be placed on a fee basis. Services which are not conducive to such an arrangement require an alternative regimen. Since, by definition, such services cannot be marketed, we must simulate the discipline of the marketplace. One apparent means of doing this would be to enforce spending reductions. Just as the shares of national income going to the production of food, clothing, and shelter have been reduced, so too should government's share be reduced. A *shrinking* spending limit could serve as an artificial simulation for the pressures of competition.

Bloated as it is, the government cannot handle even its traditional responsibilities. It cannot protect its own diplomats. It cannot keep the streets safe. For its own good and for our own good, the government's debilitating obesity must be more than halted, it must be reversed. Spending and taxation must be reduced.Ⓢ

Totalitarian Collectivism in America

"NOTHING IS more striking to a European traveller in the United States than the absence of what we term . . . government." So wrote Alexis de Tocqueville of American society in the 1830s. What American in 1980 could possibly think of our society as one characterized by an "absence of government"?

Government at all levels now directly controls nearly forty percent of our wealth through *direct* taxation, yet anyone with a smattering of economic knowledge knows that the indirect taxation mandated by government regulation is also huge.

Dr. Douglas is Professor of Sociology at the University of California at San Diego, though his studies of human action range beyond the usual professional or academic bounds of any one discipline. He has written and edited twenty-five books on various aspects of the social sciences and his articles have appeared in many professional journals and other publications.

This article is from the preface of his book, *The Myth of the Welfare State*, forthcoming.

American society today is a government-controlled society, a society in which all of us are controlled in innumerable ways by a vast number of proliferating government bureaucracies, agencies, committees, police powers, legislative bodies, judicial decisions.

Tocqueville recognized that government powers might someday grow in America into the huge bureaucratic administration of life that had earlier characterized the mercantilist monarchies of Europe. He realized that the welfare of any nation necessitated the legislation of general principles for the whole society by the central government. But he had forebodings that the American government would go far beyond that and turn mass democracy into democratic tyranny. If the central power, he argued, "after having established the general prin-

ciples of government . . . descended to the details of their application; and if, having regulated the great interests of the country, it could descend to the circle of individual interests, freedom would soon be banished from the New World." Any educated American in 1980 knows that our huge government bureaucracies now dictate minute details of our everyday lives and enforce their dictates with vast police powers.

America Today an Imperial Bureaucracy

America today is ruled by an Imperial State Bureaucracy headed by an Imperial President. Certainly there are significant differences in the forms of our imperial government; but any historian of the ancient imperial states or of those of the sixteenth-century mercantilist monarchies will easily recognize that the differences are only surface phenomena, while the basic realities of power and its administration are very much the same.

It is only political rhetoric and the ignorance of history now almost universal even among our so-called educated people that makes it possible for people to pretend that "America is still the land of liberty." Certainly America is still more free by far than those nations now ruled over by the terrible socialist state bureaucracies. Indeed, we are still significantly more free than the

cowed peoples of the democratic socialist nations of Scandinavia, once-Great Britain and elsewhere. But anyone who has studied the trends of recent decades knows that we are closing the political gap between ourselves and their state tyrannies at a terrifying rate.

We scholars who several years ago hoped selfishly that we might at least be spared in our lifetime the terrors of pseudo-democratic state tyrannies must now recognize that our hopes are fading rapidly. We social scientists know that in the past few years alone the federal bureaucracy has moved relentlessly to establish committees at all our universities to review our research and, thereby, to control what we can know and say about our society. What greater power can any government possibly wield than the power to determine what can be known and how it can or cannot be known?

And yet there has been no great outcry, no widespread screams of outrage or anguish from our people. The reason for that is that they are firmly in the grip of the myth of the welfare state, the myth that their individual welfare depends upon and is served by the ineluctable ratchet-up in state powers. They believe this myth for many irrational non-reasons. The politicians are paying them off with their own tax-monies and erstwhile liberties:

the politicians use police powers to take from them their wealth and their individual liberties to determine how they will live, and then return part of this to them under government constraints—but only on the proviso that they support the politicians who use police powers to take away their wealth and their liberties. It is not too difficult to see how our peoples, in the grip of the great temptation of greed and mystified by the pseudo-science theories that tell them it is all necessary to surrender their liberties in order to have liberties, can be so easily deceived.

Even more ominous than the relative lack of outcry from our people has been the lack of serious outcry from our intellectuals and scientists. Most ominous of all, it is they who have been clamoring the loudest for ever greater imperial state controls. It is even the academics who administer the thought control programs of the federal bureaucracies now trying to dictate how we shall do research. Those who remember that it was the intellectuals and social scientists in Germany who clamored for more state power over German life, and they who repressed any opposition to Nazi thought controls once they came to power, will recognize that the seeds of mass-democratic tyranny are already firmly planted in our society.

The most effective tyranny, and

thus the most terrible tyranny, is always imposed by the people upon themselves, at least in the beginning, and they have almost always done such an irrational thing only when their intellectual leaders have convinced them that such tyranny is necessary and good—that it will serve the greatest welfare of the people themselves.

Political Deceptions

Mass democratic tyranny will probably always be built upon the two great political deceptions of mass equality and mass welfare. Those deceptions will take many specific forms, always conforming to the particular political rhetoric already widely shared in a particular society, but the general message will be the same and so will the result.

In a mass democracy that has triumphed over all traditional values there is no truth, no justice, no social welfare beyond that of the voice of the people. The people determine what is just and good—they determine everything by their votes. One man, one vote. One vote, one unit of truth and morality. Majority rules. More votes, more truth, more morality. As our "liberal" intellectuals today would say, what could be more conducive to the general welfare than for all individuals to have an equal voice (vote) in deciding what is to their welfare? Even when

they do not say so, most of our intellectuals have now so completely absorbed this tenet of mass democracy that they have nothing but contempt for those who try to remind them of the ancient truth that direct rule by collective ignorance—by mobocracy—always leads in time to tyranny, first to the tyranny of the majority and then to the tyranny of the few when the ignorance of the majority has produced its inevitable social catastrophes.

In America today the same nuclear physicist who would laugh uproariously at the thought that the average businessman should have a vote on whether to allow physicists to study the atom would immediately turn around and insist that he as a citizen and nothing more should have the right to vote on whether the owners of Texas gas wells should have the right to set their own prices for their gas, whether the Federal Reserve should increase the money supply at a faster rate, or whether the federal government should "stimulate" the international economy by running budget deficits and "talking down" the dollar in exchange markets.

The same sociologist who asserts with contempt that the average politician knows nothing about the realities of drug use and their effects would assert with aplomb, and without thinking to consult a single study or learning economic theory,

that the government should "solve" the problem of inflation by imposing wage and price controls upon all those businessmen who "set their prices to rip-off obscene profits."

And the average citizen voter, who can barely read at the so-called tenth grade level, asserts blandly that his votes justify the politicians' use of police powers to dictate to doctors the standards of medical care and the maximum charges they can ask for their services.

Confusing the Issue

Why? Why does the physicist think he should have a vote to determine what price Texas gas owners can ask for their gas, whereas it is ludicrous for the Texan to vote on whether the physicist be allowed to investigate the atom? Because, says the physicist, the price of gas is a "political question" that affects us all, not a question of scientific fact. But our physicists have forgotten that there are few things in a world of interdependent markets that do not affect almost everything else in some way. What could be more important in determining the future—or lack of future—of all human beings than nuclear research? By our physicist's own standards, what, then, could be more "political," and thus more subject to decision by mass vote, than nuclear physics?

And, if our sociologist can use his

vote to dictate the asking price for gas in Texas, why cannot the gas owner use his vote to dictate the grading standards of the sociologist, or his hiring standards, or his subject of research?

And is it not totally logical for the same politician who dictates medical standards and prices of doctors to dictate for our Mr. and Mrs. Every person the standards of their work, the prices of their labor, and ultimately the standards of their most intimate acts and thoughts?

The logic of totalitarian collectivism is simple, brutal and entirely consistent. Once a people has decided, whether actively or more commonly, by default, to allow politicians to decide by legislation, and without severe constraints of custom or law, what is right and wrong in a basic realm of life like property rights, then there can be no logical constraint upon their exercise of power in other realms of life.

As John Locke saw, even in the vastly more simple and self-contained society of the seventeenth century, without property rights no other rights can long be sustained. The government that controls all of my property controls my right to the pursuit of happiness, my right to free speech and to the publication of that speech, my right to take a spouse or have children, my right to life itself—for all things of life are totally dependent upon the material

goods and the subjective controls of those goods we call property and property rights. The government that has the right to legislate gas prices in Texas, or income distribution nationwide, has every logical right to dictate research standards in physics, hiring standards in sociology, wage rates for black teenagers in New York, parental care standards for all parents, and—everything else in life.

Totalitarian Logic

When the American people used the power of their votes to give the politicians the power to legislate away our ancient economic rights they unknowingly gave them power to legislate away all our ancient rights. The American Imperial State Bureaucracy is now pursuing that relentless logic of totalitarian collectivism at an astounding rate. Once our people had accepted that totalitarian logic, there was nothing left to protect us but our isolated individual sense of outrage and our underground resistance movements. Each sector of the economy, each corporation, each besieged individual is now left alone to fight his rearguard resistance against the unconstrained might of the Common Welfare, the Welfare State.

The welfare state is built on the totalitarian logic: when the goal of the state becomes that of pursuing, without basic constraints of custom

or law, the common welfare of all, then the welfare of any individual or sub-group becomes irrelevant. Thus we eventually arrive at the logical conclusion of the Egalitarian Welfare State, the conclusion Rousseau reached two centuries ago: the equal welfare of all demands that the individual welfares of everyone be totally sacrificed. And so the modern juggernaut of the Welfare State trundles onward, crushing beneath its bureaucratic powers the ancient freedoms of one group after another—to serve the Welfare of All, of course. Today the businessmen, the gas producers and the steel makers; tomorrow the doctors; then the parents; and someday the Whole World.

The opposite of the logic of totalitarian collectivism is, of course, the logic of individualist freedom. The logic of collectivism computes the individual welfare, if at all, in terms of the collective welfare, that is, in terms of "aggregates" like gross national welfare, income distributions, and distributive justice. The logic of individualist freedom does the opposite, that is, it computes the social welfare, if at all, in terms of the individuals' welfares as defined and experienced by the individuals.

The American Constitution was built upon the logic of individualist freedom. The American government was founded to promote the common

welfare, but to the eighteenth-century liberal minds of our constitutionalists that meant the exact opposite of what it means to the average American today.

Because they assumed that welfare could only be defined individually, the American constitutionalists intended the government to promote the common welfare by remaining as small and weak as it could while serving the one and only collective form of welfare, that of the common defense against foreign powers which wanted to impose Big and Powerful Government on Americans. Thus it is that they discovered that revolutionary American idea of individual freedom: minimizing the power of government will maximize the welfare of all. Thus it is that when Tocqueville visited America in the 1830s he found a remarkable "absence" of government and an equally remarkable high level of individual welfare—a land of freedom and of peace and plenty.

Unhappy Nation

The government-dominated America of 1980 is a deeply unhappy nation, a nation torn by deep dissension as never before since the civil war. Each American today is fighting his own desperate guerrilla warfare against the relentless growth of government power. Worst of all, the massive use of government power to

tax and control each of us "for the common welfare," has logically turned each of us into the enemy of all the others.

Our collectivist Marxists tell us that the free market capitalism of Tocqueville's era was evil because it turned each man against his neighbor in economic competition. But the truth is the exact opposite. America under the free market was a land of pervasive friendliness and cooperation, of neighborly feeling and public interest politics, of self-sacrificing parents and children and charitable citizens. Now that we are all fighting desperately against each other for our shrinking piece of the welfare-state pie, we have become a surly and terribly conflictive society, a society dominated by selfish pressure-group politics, a society of sniveling self-pity in which each person blames "the society" or, more appropriately, "the Government" for all of his problems and demands that the Government solve his problems for him, a society in which

parents have little control over their children and parents are deserted to the cold treatment of the state-financed nursing home, a society in which charity has been taxed away, a society in which love itself is poisoned by the political conflict for a collectivist "Equality."

Self-reliance was once the iron string to which all American hearts beat, but it was a self-reliance buttressed by all the strength of family love and cooperation, by neighborly cooperation, and by a spirit of public interest. The hearts of Welfare-state Americans beat to the totalitarian tunes of bureaucratic regulations and state-dependency. A free America was a land in which the average man and woman believed that their nation was like a shining city on a hill toward which all human beings could look longingly and hopefully. Welfare-state America is a land without pride, a nation in which the best have replaced a sense of public interest with a sense of public shame. (M)

Sir Algernon Sidney

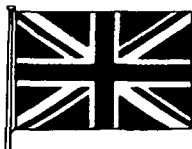
IDEAS ON



LIBERTY

FOR as liberty solely consists in an independency upon the will of another, and by the name of slave we understand a man who can neither dispose of his person or goods, but enjoys all at the will of his master; there is no such thing in nature as a slave if those men or nations are not slaves who have no other title to what they enjoy than the grace of the Prince, which he may revoke whensoever he pleaseth.

Clarence B. Carson



The Imitation of England

It is no accident that the American economy has followed a pattern set earlier by England, that the dollar has declined in value and been devalued in foreign exchange as the pound has been, that the United States is suffering trade imbalances as the English were doing well before now, that welfare programs are increasingly burdensome in America as they have long been in England, that production is on the wane here as in England. These parallels, I say, are not accidental. The decline of the British pound was an effect of the same cause that has successively weakened the dollar. In like fashion, many other developments in the United States have a similar cause to those in England.

But the relationship between what has happened in England and what is happening in the United States is closer and more direct than the above may convey. It is not simply that like causes produce like effects in both England and the United States, though they do. It is more than that. The United States has followed in the path toward socialism that was first trod by England. The United States has imitated England. We have borrowed and imitated tactics devised in England. We have followed in England's footsteps in concentrating and exercising political power. We have even aped many of the legislative acts of England. Small wonder, then, that the same consequence should befall us.

It is not my point, however, that all the socialist influences on the United States came from England.

Dr. Carson has written and taught extensively, specializing in American intellectual history. His recent series, *World in the Grip of an Idea*, is now available as a book.

In the broadest sense, the imitation of England was the imitation of much of Europe, as socialist influences from the continent were important as well as those from England. Nor is it my point that the American bent to socialism was a foreign import entirely. American thinkers did not originate socialism, but they did much to acclimate it to American circumstances. It is rather that the particular variety of socialism that has had greatest influence on the United States originated in England, that most developments occurred in England before they did in the United States, and that the imitation of England was the most pronounced feature of the American thrust to socialism. For these reasons, what has befallen England is most relevant to the American situation.

The Fabian Approach

Socialism has been introduced in the United States piecemeal and gradually. This tactic was most trenchantly set forth by the English Fabians whom Americans imitated. The Fabian Society was organized in England in 1884 and, because it drew into its ranks and orbit such talented writers as George Bernard Shaw, H. G. Wells, Sidney and Beatrice (Potter) Webb, and Graham Wallas, was not long in beginning to have an impact. By the 1890s, a periodical was being published in

the United States called *The American Fabian*, and Fabian ideas were being introduced politically by way of the Populist Party.

The rise of Fabians signaled the emergence of evolutionary socialism as a distinct idea, though it would be several years before Eduard Bernstein spelled out the concept. Most socialists prior to this time had been dogmatists who advanced some particular panacea for curing the world's ills. There were anarchists, syndicalists, revolutionaries, single taxers, land redistributionists, communitarians, and so on.

Karl Marx caught much of this in his theory of revolutionary socialism, but for him "the revolution" became the panacea. By contrast, the Fabians had no one particular panacea. Unlike the anarchists, they believed in the use of government power. Unlike the Marxists, they believed in working within the existing framework of institutions. Unlike the syndicalists, they launched their appeal to the society at large. They saw the task as much broader than something that could be accomplished by a single tax or inflation or land redistribution, although any one of these efforts, or all of them, might find place among their proposals.

The Fabians were gradualists. More, they were eclectic. There was no one particular way to socialism for them; any act that brought govern-

ment control over anything was a step in that direction. They were statist, who proposed to arrive at socialism democratically.

How to Come to Power

The central problem of socialists in the latter part of the nineteenth century, aside from their difficulty in coming to agreement with one another, was how to come to power. It was a large problem indeed. Everywhere, they were a small minority of the population—tiny might be more accurate—consisting usually of dogmatic and quarrelsome intellectuals. Generally, they lived on the fringes of society, were held in low esteem, and were often harassed by the police. How could they gain respect? How could they gain influence? How could they come to power?

The Fabians proposed to solve this problem by what they called "permeation." An historian of the Fabians describes the tactic this way: "In its most general sense, it meant that Fabians should join all organizations where useful Socialist work could be done, and influence them. . . . Taking a broad interpretation of the meaning of Socialism and having an optimistic belief in the powers of persuasion, the Fabians thought that most organizations would be willing to accept at least a grain or two of Socialism. It was mainly a matter of addressing them

reasonably, with a strong emphasis on facts, diplomatically, with an eye to the amount of Socialism they were prepared to receive, and in a conciliatory spirit."¹ George Bernard Shaw, a leading Fabian spokesman, described the tactic of permeation in more detail:

We urged our members to join the Liberal and Radical Associations of their districts, or, if they preferred it, the Conservative Associations. We told them to become members of the nearest Radical Club and Co-operative Store, and to get delegated to the Metropolitan Radical Federation and the Liberal and Radical Union if possible. On these bodies we made speeches and moved resolutions, or, better still, got the Parliamentary candidate for the constituency to move them, and secured reports and encouraging little articles for him in the *Star*. We permeated the party organizations and pulled all the wires we could lay our hands on with our utmost adroitness and energy; and we succeeded so far that in 1888 we gained the solid advantage of a Progressive majority, full of ideas that would never have come into their heads had not the Fabians put them there, on the first London County Council.²

Bending Existing Organizations to Socialist Purposes

To appreciate fully the tactic of permeation it needs to be viewed in the broad context of socialism generally. Most socialists looked askance at existing organizations. Anarchists and revolutionists believed that they would have to be de-

stroyed. Those of a more peaceful bent usually thought in terms of establishing their own communities and organizations. Land redistributionists have been inclined to think in terms of breaking up large farms and parceling them out to those who would tend them. Socialists of a political bent favored forming their own political parties, and the usual result was a proliferation of parties, each pushing its particular panacea and very particular doctrines.

By contrast, the Fabians accepted the existing system of organizations. They accepted the government, the political parties, the businesses, the educational institutions, the churches, the newspapers, and so on. That is not to say that they did not want to make changes in them, for that they did, but what they envisioned was subtle, and sometimes not so subtle, alterations, not abolition, destruction, or replacement. They wanted to permeate them, influence them, and eventually control the course of their development.

The Fabian Society had only a few members at its inception. Eventually, there would be several thousand members, but it never became a mass organization. It would not have been to their purpose if they could have had one. (Convinced and determined socialists constitute only a small minority of the population in any land.) What they sought

may be best conceived as *intellectual leverage*. That is the underlying meaning of permeation.

Intellectual Leverage

Intellectual leverage does not require quantity; it needs quality instead. Organizations concentrate decision making power: in cabinets, boards, committees, and ultimately in individuals. All that is necessary to alter their course is to influence the decision makers. One man can play a pivotal role on a board, committee, commission, or cabinet simply by adroitly advancing his ideas. The commitment of the Labour Party to socialism at the end of World War I required only the permeation of its leadership.

Intellectual leverage has a broader impact than may be suggested by influence within particular organizations. Ultimate intellectual leverage is achieved by the creation and domination of the intellectual climate. This, too, the Fabians eventually achieved in England. They made socialism respectable, at least that variety they propounded. Indeed, for a time—particularly in the 1940s—they made it about the only respectable outlook. Their eclecticism made the task much easier than it would otherwise have been. They could draw into their framework reformers, interventionists, welfarists, nationalizers, and what have you. After all, an inflationist

was a socialist, too, even despite himself, for Fabians were inflationists, and they were socialists.

Permeation was a most useful tactic in dominating the intellectual climate. One does not have to own a newspaper in order to determine what books get good reviews. For that, one needs only to be the book review editor, and, sometimes, only the reviewer. Careers are made and unmade in such fashion, and an intellectual climate is shaped. When that has been accomplished, mere politicians tend to be but reflexes of the prevailing ideas.

The American Pattern

In a general way, it is clear that Americans used tactics similar to those advanced by the English Fabians. Americans have certainly moved gradually, and episodically, toward socialism. They did not, for example, rush out and take over the railroads in one fell swoop (except briefly during World War I). Instead, they passed mild regulation at the first, in the late nineteenth century. Then, over the years they tightened the regulation until the Interstate Commerce Commission had a virtual stranglehold on them. Then, the government began to encourage the consolidation of competing lines. In the course of time, the federal government has taken over providing some of the rail services and some railroads. Control over the

money supply was not achieved all at once. It was done step by step and gradually over the better part of the century. It was not complete until the final steps were taken in making it outright fiat money in the late 1960s and early 1970s.

It is equally clear that Americans would use government to move toward socialism, just as the Fabians had proposed in England. Existing organizations were neither abandoned, abolished, nor destroyed. Instead, they have generally been penetrated by government power and, where possible, instrumented to the purposes of those who govern. Existing political institutions have been preserved, such as those of state and local government, but they have been increasingly drawn into dependence upon the federal government and serve as instruments to do its will. The framework of popular government has been preserved and extended, but the significance of elections has shifted more and more toward ideological considerations.

Political Strategy

The tactic of permeation has been much used by American intellectuals. Indeed, no new political party emerged to gain major following in the United States in the twentieth century, as did the Labour Party in England. Instead, intellectuals of a reformist, welfarist, and, ulti-

mately, socialist bent penetrated and permeated the Democratic and Republican Parties. In the 1920s, however, many of those of that persuasion became Progressives and never returned to the Republican fold. Instead, from the 1930s onward the Democratic Party became the main instrument of the thrust toward socialism. In many ways, it became the American equivalent of the British Labour Party, relying heavily on labor unions, their financial contributions and the votes of their members.

Intellectual leverage, perhaps the single most important of Fabian contributions to evolutionary socialism, became as important in America as England. The Fabians did not have movies, radio, or television when they began to move to gain intellectual leverage. At first, they relied on tracts, pamphlets, newspapers, magazines, and books. The later inventions made possible a degree of leverage difficult to imagine earlier. A few men located at pivotal positions in the three American networks can decide what gets shown, what interpretation is made of it, who is allowed to speak, and in what way. Above all, it is the power to determine what are issues worth considering that makes so much difference.

There were, of course, major differences between England and the United States. One difference that

impressed both British and Americans was that the United States has a written constitution. Ramsay MacDonald, British Fabian and eventual Prime Minister, put it this way in 1898: "*The great bar to progress is the written constitutions, Federal and State, which give ultimate power to a law court.*"³

Constitutional Issues

The American Fabian, an American publication begun in 1895 in conscious imitation of the British, described the difficulty more fully: "England's Constitution readily admits of constant though gradual modification. Our American Constitution does not readily admit of such change. England can thus move into Socialism almost imperceptibly. Our Constitution being largely individualistic must be changed to admit of Socialism, and each change necessitates a political crisis. This means the raising of great new issues. . . ."⁴ American intellectuals did, of course, eventually devise ways to move toward socialism with few written constitutional changes, but that was owing to American ingenuity mainly, not to British.

Another difference was that Americans generally have never bought socialism when it was packaged that way. No party with the avowed intent of establishing socialism has ever come close to get-

ting an electoral majority nationally. This difference, however, made British Fabianism more important to Americans with a socialistic bent, not less. The Fabians were avowedly and explicitly socialists. Most American intellectuals of their stripe were not, after the early twentieth century. Yet to go anywhere requires that the destination be conceived somehow. By imitating the British, Americans could be assured, or at least believe, that they were headed in the direction of socialism.

Common Influences in Britain and America

The influence of British socialism on American intellectuals has been continual over the years. Not only do Americans share a common language with the British but also a common heritage and intellectual framework. Twice in the twentieth century the United States has gone to war allied with the British, and in these wars their relations have been particularly close. The influence sometimes surfaces as when American intellectuals propose that the British system of government is in certain ways superior to our own—requiring a new election, or a new government, when the leadership suffers an adverse vote on a major measure in the House of Commons, for example, or having effective party discipline.

Often, however, it was much more direct than this might suggest. Here is an example. Graham Wallas, one of the first members of the English Fabian Society, came to Harvard to lecture in 1910. There he met and became close friends with Walter Lippmann, a student there at the time and active in socialist circles. A few years later when Lippmann published *Drift and Mastery*, a subtle gradualist work, he dedicated it to Wallas. Wallas replied in kind with his new work, *The Great Society*, a phrase that would crop up again years later as President Lyndon Johnson's program for the United States. "The British Fabians H. G. Wells and Graham Wallas," says one historian, "visited the Harvard campus and, as Englishmen, made economic heresy respectable. Lippmann was later convinced that even William James had been converted to socialism by the dynamic Wells."⁵ Walter Lippmann became, of course, one of the most adept at maintaining intellectual leverage by way of journalism.

The Impact of Keynes on Economic Theory

Perhaps the best known example of British influence is that of John Maynard Keynes. It is not certain that Keynes was a member of the Fabian Society during the years of his greatest prestige, but he was closely associated with many Fa-

bians, and rendered signal service to their cause. Keynes did not, as some may suppose, invent the notion of manipulating the money supply to achieve social ends. There were inflationists around before he was born. Nor did he invent national planning and government control over the economy. He did provide a ponderous gloss in justification of these activities with his *General Theory*. Almost singlehandedly, he made macro-economics respectable, if not comprehensible. He carved out a niche for intellectual leverage over the economies of nations, including the United States.

The dependence of Americans on British socialism is suggested in this description of his activities by Robert Hunter who was for years a leader in the Intercollegiate Society of Socialists but who later renounced socialism:

When I was a resident at Hull House in Chicago, at Toynbee Hall in London, and at the University settlement in New York, I was drawn by some bond of sympathy into close association with labor and socialist leaders of the three great cities. For many years at home and abroad, I passed from one group to another in a world little known at the time—a world almost exclusively occupied with social problems and their solutions. The groups in America were small and without influence, but in Europe the leaders were in Parliament, and lines were forming for the class conflicts which followed the World War.⁶

The significance of British influence on American intellectuals lies, of course, in the eventual influence of these last on America. For that, we turn now to some particulars of the imitation of England.

It has been noted already that those advancing socialist measures in the United States had constitutional problems. Although they were not so forbidding, so did the British. The British had a separation of powers in their government, one which became the model for many other governments in the nineteenth century. They had an hereditary monarch who had long been head of state and chief executive. They had an hereditary House of Lords which served, in effect, not only as a legislative body but as a supreme court which was the ultimate arbiter of the Constitution. The House of Commons was, of course, the seat of popular government in the realm.

Concentration of Power

In the early twentieth century, virtually all governmental power was concentrated in the House of Commons. Part of the concentration had come about gradually and by attrition. The monarch had been losing power for the better part of a century. George III (1760-1820) was the last monarch to assert himself over the government. The two kings who followed were weak and irreso-

lute men who lacked the will and determination to be anything much but figureheads. Queen Victoria (1837-1901) was respected and beloved, but not because of any actual control she exerted over the government. As one historian notes, between "1874 and 1914 while the person of the monarch may even have gained importance as a figurehead, it steadily lost power as a factor in government."⁷

How low monarchy had sunk was well illustrated in 1910. The Liberals in the House, with a large majority behind them, were determined to break the power of the Lords. They were afraid, however, that the Lords might reject the legislation by which it would have to be accomplished. H. H. Asquith, the Prime Minister, went to King George V to ask him that if it became necessary would he appoint enough new Peers—"pack the House of Lords"—to get the legislation through. The King assented, though, as it turned out, it was unnecessary.⁸

The House of Lords was shorn of its effective veto powers over legislation in 1911. In the case of money bills, if they were not passed without amendment by the Lords within two months of being sent to them they became law without the assent of the Peers of the realm. Other types of legislation could be delayed much longer, but if Commons persisted they could become law without the

approval of the Lords. There was no longer any effective constitutional restraint on the House of Commons. There should be no doubt, either, that this constitutional change was made to facilitate a socialistic bent in the legislation from the House of Commons. The Lords had refused to accept a budget bill which steeply taxed inheritances, income, and land. The concentration of power was rounded out in World War I when great powers of decision were vested in the prime minister and that portion of his cabinet which dealt with the conduct of the war.

Reserving the Safeguards

There was not only a separation of powers in the United States but also a dispersion of powers between the federal and state governments. The written constitutions which socialists saw as an obstacle to their programs were, then, augmented by separations exceedingly difficult to overcome. The United States does not have party government in the formal sense; hence, intellectual leverage is difficult to achieve.

The first major step was achieved in reducing the dispersal of powers by the passage of the 17th Amendment in 1913. This provided for the direct election of Senators by the voters rather than by the state legislatures. This shifted the Senate away from representation of the states toward nationalization. No

longer could Senators be held to account by state governments for the manner in which they defended the powers of the states.

The second major change was in the direction of developing presidential government. This may be seen most directly in the development of programs by presidential candidates, programs with names and directions. This development surfaced into plain view for the first time in the election of 1912. Theodore Roosevelt presented his program as the New Nationalism, and Woodrow Wilson as the New Freedom. Franklin D. Roosevelt carried it considerably farther with his New Deal, and his successors advanced such programs as the Fair Deal, New Frontier, and Great Society.

The second Roosevelt moved most swiftly, deftly, and directly toward presidential government. In the early days of the New Deal, legislation was drawn up in the executive branch and swiftly passed by the Congress. Much of this legislation was drawn by what was called a "Brain Trust," which gave great leverage to intellectuals over the government. Roosevelt attempted to concentrate power even more by campaigning in primaries against members of his own party who had aroused his disapproval and in his ill-fated "court packing" proposal. This last was reminiscent of the notion of packing the House of Lords.

Downgrading the States

Presidential government did not in itself reduce the independence of the states. That has been accomplished mainly in two other ways. The most subtle assault on the independence of the states has been by the grant-in-aid. The English Fabians saw the possibilities of the grant-in-aid for nationalizing power in England from their early years. They called it "the middle way," the middle way, that is, between centralization and local autonomy. "The middle way has," says one of the *Tracts*, "for half a century, been found through that most advantageous of expedients, the grant in aid. We see this in its best form in the police grant. . . . A grant in aid of the cost of the local police was offered to the justices and town councilors—at first one quarter, and now one half, of their actual expenditure on this service, however large this may be."⁹ That increasing grants could be accompanied by increasing central control they did not point out, but that has certainly been the case in the United States.

Land grant colleges were first authorized in the nineteenth century, but the grant-in-aid really got underway on any scale in the United States with Federal aid in building highways. In the 1930s it was employed in such programs as welfare and unemployment compensation. Since the 1960s it has assumed

gargantuan proportions as virtually every conceivable program, from education to police work, is partially subsidized from Washington. President Nixon pushed the idea of the federal government sharing its tax receipts with local governments. The idea, as he presented it, was that the federal system of government would be preserved by the program. What has happened, of course, is that state and local government have become increasingly dependent upon these monies, and that the national bureaucracy uses the threat of withholding grants to force these governments to comply with their rules.

Changes by Court Interpretation

The other major means for subordinating the states has been by court interpretation. Since court interpretation has also been used to remove most of the substantive constitutional obstacles to socialism, the two may be discussed jointly. By the early twentieth century, American reformers with a socialist bent had figured out what had to be done and how it could be done gradually. Herbert Croly described the constitutional problems this way: "The regulation of commerce, the control of corporations, and the still more radical questions connected with the distribution of wealth and the prevention of poverty—questions of this kind should be left exclusively to the

central government; or in case they are to any extent allowed to remain under the jurisdiction of the states, they should exercise such jurisdiction as the agents of the central government."¹⁰ But much of what he had in mind could be accomplished without amendment, he thought; "and in most respects it should be left to the ordinary process of gradual amendment by construction. . . ." ¹¹ Walter Weyl, Croly's colleague later at *The New Republic*, declared that the Supreme Court could "by a few progressive judicial decisions . . . democratize the Constitution."¹²

Whether the Supreme Court has "democratized" the Constitution or not, it has certainly construed it so as to subordinate the states, concentrate power in the general government, and remove the obstacles to socialist type legislation. By 1960 the interstate commerce clause had been construed to be so inclusive in its grant of power that the states had only a remnant of power over commercial activity.

Court Initiated Reforms

The courts have long since taken to initiating changes and reforms, and it is widely accepted today that the Supreme Court is some sort of super legislative body, empowered to alter the Constitution to contemporary requirements. In this role, the courts have been aided and abet-

ted by the media—the seats of intellectual leverage—by having many of their most radical decisions hailed as the “law of the land.”

Whether or not the United States Constitution has been “democratized,” it has certainly been “Britishized.” The early Fabians were right in their assertions about the basic difference between the British and American constitutions. While there are documents which constitute a portion of the British Constitution, it is not a written instrument. Nor does it require extraordinary procedures to alter it. Changes in custom and tradition, new precedents, court decisions, and acts of Parliament may and sometimes do alter the constitution. It consists of a complex of inherited institutions, of established procedures, of legal developments, and of legislative acts. It lends itself readily to gradual and incremental changes.

The United States Constitution is not like that. It is a written document; the procedures for amending it are specified, and amendments are extraordinary. Increasingly since the late 1930s, however, the Supreme Court has treated the Constitution as if it were a tradition only to be altered with changing conditions. In England, they revoked the veto power of the House of Lords to open the way for socialism. In the United States, the negative

power of the courts was transformed into a positive power to alter and change. When the American colonists broke from England and founded their own political system they continued to use the common law inherited from England. Under the impetus to socialism the Constitution is now treated as if it were a part of the common law. That is how the United States Constitution has been “Britishized.”

The Subtle Differences

Americans imitated the British gradualist approach to socialism. Like the British before them, they accepted and worked within existing organizations. They permeated them. Like the British, American intellectuals moved to vest power in government, to concentrate it, and to gain intellectual leverage over it. Both claimed to be democratic. The states were turned increasingly into instruments of the federal government, and the Constitution treated in the British manner as if it were flexible and alterable at will, not fixed by the language in which it is written.

The significance of the American imitation of England comes out most directly in the following ways. First, it helps to establish the fact that we are bent toward socialism. That has not been easy to do, because American programs have usually been advanced as measures to cure particu-

lar ills. By contrast, the British have often been explicit about their aim to achieve socialism. In so far as we are imitating the English, we are moving toward socialism, whether we will or not. Second, both in England and America the removal of many of the restraints on government power have been preludes to assaults on property and reductions of the control which the inhabitants have over their own affairs. Third, the British have gone farther down the path toward socialism, and they did so earlier. Hence, the consequences of socialism are more visible there.

The Resulting Paralysis

First from the British, then from the American experience, we can conclude that the consequences of socialism are paralysis. It begins as partial paralysis, because of gradualist methods, but over the years it tends to extend into more and more areas. To the extent that the hope of gain motivates productive activity, the assault on profit making is an assault on productivity. The graduated income tax takes away much of the surplus for future investment. Inflation reduces the gain and fosters hoarding: of land, antiques, untaxed securities, and so forth. Redistribution of the wealth encourages consumption and discourages production. Economic planning by government makes it

increasingly difficult for individuals to make plans. It shifts the power to act from the individual to the government, thus partially paralyzing—delaying, limiting, preventing—economic action.

The paralysis induced by gradualist socialism evinces itself as national decline, as social disintegration, and as nihilism at the individual level. Social disintegration occurs as the breakup of families, the loss of hold of institutions, decreasing vitality in voluntary organizations, and the breakdown of the power of social prescription. Individual nihilism shows itself as lawlessness, loss of self-respect, loss of respect for others, contempt for property, and the frantic pursuit of thrills. That much of this has been fostered and facilitated in the same intellectual atmosphere that has advanced socialism is demonstrable.

It is written that on a certain day there came to the attention of Jesus a man who had suffered an infirmity for 38 years. The man was lying on a bed beside a pool which, it was claimed, was a place where one might be cured if he could enter the waters immediately after they had been disturbed by an angel. Jesus asked the man if he would like to be made whole. Undoubtedly he would, but, he pointed out, he had no one to help him and when the time came someone else always got in ahead of him. Jesus said to him, "Rise, take

up thy bed, and walk." And he did. (John 5:5-9)

Whatever else may have ailed the man, he was almost certainly suffering from what we would call a dependency syndrome. He was lying beside the pool waiting for a miracle to happen. All he needed was someone to help him get into the waters at the right time. He must have been dependent on others for a long time to provide him with his necessities. If he was not at least partially paralyzed he might as well have been.

The people of the United States are suffering from a dependency syndrome, and we have been partially paralyzed for at least 38 years, if not longer. We have depended upon European ideas for intellectual sustenance. We have imitated England in adopting gradualist socialism. We have become dependent upon government for all sorts of aid and benefits. It is a paralyzing dependency. Many are lying by a pool, figuratively if not literally, expecting to be rescued by some miracle. We would get in the water, too, if we just had others to help us.

Jesus took the cold turkey approach to the dependency syndrome. "Rise, take up thy bed, and walk." Stop lying around the pool expecting a miracle. Stop imitating all those others lying flat on their backs.

Stand on your own two feet. Take responsibility for yourself and your own. Manage your own affairs. Would it be that easy? No, but it would be at least that hard. Those who think it would be easy are still expecting miracles. Will it cure the ills of the world? Probably not, the cure is individual not collective. Collectivism is the ill. The belief that one is somehow responsible for curing the ills of the world is the disease. He who rises, takes up his own bed and walks is no longer a part of the problem but a part of the solution. ☸

—FOOTNOTES—

¹A. M. McBriar, *Fabian Socialism and English Politics* (Cambridge: Cambridge University Press, 1962), pp. 95-96.

²*Fabian Tract* #41.

³Quoted in Rose L. Martin, *Fabian Freeway* (Chicago: Heritage Foundation, 1966), p. 136.

⁴*Ibid.*

⁵Charles Forcey, *The Crossroads of Liberalism* (New York: Oxford University Press, 1961), pp. 95-96.

⁶Martin, *op. cit.*, p. 176.

⁷R. C. K. Ensor, *England: 1870-1914* (Oxford: Oxford University Press, 1936), p. 31.

⁸George Dangerfield, *The Strange Death of Liberal England* (New York: Capricorn Books, 1961), p. 40.

⁹*Fabian Tract* #108.

¹⁰Herbert Croly, *The Promise of American Life* (New York: Capricorn Books, 1964, originally published, 1909), p. 350.

¹¹*Ibid.*, p. 351.

¹²Walter E. Weyl, *The New Democracy* (New York: Macmillan, 1912), p. 317.

P. Dean Russell

Idealism and Students



COLLEGE STUDENTS tend to be highly idealistic. Most of them truly want to help their fellow men and women. They want to do something worthwhile with their lives. That's good, of course; for if we aren't idealistic in our late 'teens and early 20s, there's not much hope for us.

A part of my job as a teacher is to discuss "careers" with these young men and women. Every year, perhaps a half-dozen will ask me to suggest a career that will permit them to earn a good living while also "making a contribution" to our nation and people in general. In most cases, I suspect they're thinking in terms of a career in government where they'll work hard to pass good laws to help the people.

While I never specifically advise them against a career in government, I do try to get them to also consider another possibility. My suggestion goes something like this: If you truly want to help your fellowman, perhaps you should consider going into business. Then you can personally produce something that people want and are willing to pay for. Beyond any doubt, that would be a real and needed service.

For example, there are literally millions of young people—especially young couples—who would like to buy a house but can't. Prices and

Dr. Russell is Professor of Management, School of Business Administration, The University of Wisconsin at La Crosse.

interest rates are beyond their means. There's no law that forbids you and me from helping them, however, by building homes at prices and financial terms they can afford. That would be of tremendous help to them.

You could also decide to build better refrigerators and sell them at prices we consumers can pay. That's how businessmen (and women) earn their profits in a private-ownership economy, i.e., not by compulsory laws but by peacefully satisfying the wants of willing buyers.

That's what the market economy and freedom of choice are all about. For example, our enormous production of food—much of which is used to feed Russians and Chinese—is produced by businessmen-farmers who *voluntarily* decide to do it. Businessmen also produce our clothes and movies, build our churches and tractors, and develop better vaccines to keep us healthier.

True enough, they want to improve their own lot when they sell their products, i.e., they want to earn profits. If they don't, obviously they'll soon go broke and disappear. There's a most unfortunate side effect when that happens: Millions of us Americans are likely to disappear right along with them. For without independent businessmen and women to manage our production and distribution facilities in an economy of choice, we would start

the descent back toward the brute-like societies of compulsion and conquest we can observe all around us.

For clear evidence of this inevitable result, look next door at the maximum-security prison called Cuba where exceedingly harsh measures are imposed on people to prevent them from escaping to a land of choice. Look also at the Russian invaders in Czechoslovakia and Afghanistan, and their all-out efforts to destroy human dignity along with human beings. That's no service to anyone, including even the Russian conquerors and Cuban prison-wardens. For the leaders of those nations themselves are also thereby imprisoned and dehumanized. They just live in better cells.

So if you'd like more people to have more food, medical care, and other products and services *they* want, do consider a career in business where everyone is free to produce or not produce, and to buy or not buy. Then you can personally help produce and distribute whatever it is that people most want as shown by their willingness to buy it. That includes smaller cars, bigger TV sets, and more vacations abroad.

And if you do a good job of producing them, you are likely to earn profits—hopefully, high profits. You can then use those profits as *you* think best—including giving them to anyone you choose, and for any reason that appeals to you. ☸

The Sphere of Government



Nineteenth Century Theories: 2. Herbert Spencer

HERBERT SPENCER (1820-1903) was the nineteenth century's philosopher of evolution. He aspired to universal knowledge. What he called his Synthetic Philosophy ran to ten volumes. They included *First Principles* (1862), followed by volumes on *The Principles of Biology*, *The Principles of Psychology*, *The Principles of Sociology*, and *The Principles of Ethics*. Spencer also wrote at least eight other books.

But his earliest published work was a pamphlet, *The Proper Sphere of Government*, which he wrote at the age of 22, and his first important book was *Social Statics*, published in 1851. These publications advocated

what would today be called, and was in fact called at the time, "an extreme form of laissez faire."

The limitation of state power remained one of Spencer's dominant interests till the end of his life. In a later edition of *Social Statics* he omitted a chapter entitled: "The Right to Ignore the State," but essentially his ideas on the subject of state power changed very little as he grew older. In 1884 he published a small volume entitled *The Man Versus the State*. In 1891 appeared Part IV of *The Principles of Ethics*: "The Ethics of Social Life: Justice," and he declared this to represent his definitive views on the subject. Let us summarize and analyze them.

After some prior discussion, Spencer arrives at what he calls "a formula of justice: . . . Every man is free to do that which he wills, pro-

Henry Hazlitt, noted economist, author, editor, reviewer and columnist, here continues a series of nineteenth century theories on the sphere of government. The views of John Stuart Mill were discussed in the January 1980 issue of *The Freeman*.

vided he infringes not the equal freedom of any other man." This is almost exactly the maxim that he had laid down in his *Social Statics* forty years earlier, but I regret that it seems to me vague and unsatisfactory.

In *The Principles of Ethics* Spencer was aware of criticisms that must in the meantime have been made of it by others, for he immediately proceeds to deal with one of them:

"A possible misapprehension must be guarded against. There are acts of aggression which the formula is presumably intended to exclude, which apparently it does not exclude. It may be said that if A strikes B, then, so long as B is not debarred from striking A in return, no greater freedom is claimed by the one than by the other; or it may be said that if A has trespassed on B's property, the requirement of the formula has not been broken so long as B can trespass on A's property. Such interpretations, however, mistake the essential meaning of the formula. . . . It does not countenance a superfluous interference with another's life, committed on the ground that an equal interference may balance it. . . ."¹

Now this will hardly do. If a formula does not in fact countenance actions that it does countenance on its face, then it has not been satisfactorily formulated. It is not a satis-

factory rule or guide to policy, and it must be revised or rejected. It must clearly exclude aggression against or harm to others.

But it must also carefully delimit the nature of the "aggression" or "harm." If A and B are applying for the same job or courting the same girl, and A is the successful competitor, the prospects of B may be correspondingly damaged. But as long as A "played fair," and did not resort to violence or fraud, no one would consider that B had any just cause for complaint. There are many similar cases, but there are also borderline cases. If A and B have neighboring properties and A puts up an ugly house that B considers an eyesore threatening his property value, has B just cause for suit? If A puts up a fire hazard or a chemical factory that pollutes B's air or water, nearly everyone would consider B's case much stronger. It is problems like these that legislators and courts have to try to solve by passing scores of laws and making thousands of decisions in individual cases.

More a Formula for Liberty than for Justice

Spencer's formula strikes me more as an attempted definition of liberty than as a maxim of justice. And if it is so, then I much prefer the formula of John Locke in 1690: "Freedom of men under government is to have a standing rule to live by,

common to every one of that society, and made by the legislative power erected in it; a liberty to follow my own will in all things, where the rule prescribes not: and not to be subject to the inconstant, uncertain, unknown, arbitrary will of another man."²

Montesquieu stated essentially the same formula more briefly in 1748: "Liberty is the right to do what the laws allow. If a citizen had a right to do what they forbid it would no longer be liberty, for everyone else would have the same right."³

So all practicable liberty is liberty under law. But the shortcoming of both Locke's and Montesquieu's formulas is that they fail to state explicitly that the restraints that the laws impose must be just, definite, and minimal. But even a formula that embodied these specifications would again fall short unless it spelled out what these just and minimal restraints would be. This is the dilemma that confronts all efforts to frame a concise definition of either justice or liberty.

The nearest to a good, short specification that I can at present remember is Thomas Jefferson's call for "a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take

from the mouth of labor the bread it has earned."⁴

But I have perhaps allowed myself to be carried too far astray on this point. Spencer's case for the minimal state does not rest solely or even mainly on his own "formula for justice." Though he does not embrace the doctrine of Natural Law, he does believe that man has certain inherent rights which we recognize by "a priori intuition" or "a priori cognition." He proceeds to write a series of ten chapters on The Right to Physical Integrity, The Rights to Free Motion and Locomotion, to the Uses of Natural Media, The Right of Property, of Incorporeal Property, of Gift and Bequest, of Free Exchange and Free Contract, to Free Industry, of Free Belief and Worship, and of Free Speech and Publication. No government, he argues, has any legitimate power to violate or abridge these rights.

A Modern Ring

At the end of Part IV Spencer comes to seven chapters (23 to 29) on the nature, constitution, and duties of the state, and on the limits of state duties. When he discusses the constitution of the state, he might have been writing about one of the chief problems that disturb us today:

"If it is true that a generation ago landowners and capitalists so adusted public arrangements as to ease themselves and to press unduly

upon others, it is no less true that now artisans and laborers, through representatives who are obliged to do their bidding, are fast remodeling our social system in ways which achieve their own gain through others' loss. Year after year more public agencies are established to give what seem gratis benefits, at the expense of those who pay taxes, local and general, and the mass of the people, receiving the benefits and relieved from the cost of maintaining the public agencies, advocate the multiplication of them.

"It is not true, then, that the possession of political power by all ensures justice to all. Contrariwise, experience makes obvious that which should have been obvious without experience, that with a universal distribution of votes the larger class will inevitably profit at the expense of the smaller class. Those higher earnings which more efficient actions bring to the superior, will not be all allowed to remain with them, but part will be drafted off in some indirect way to eke out the lower earnings of the less diligent or the less capable; and in so far as this is done, the law of equal freedom must be broken."⁵

He sums up:

"One conclusion, however, is clear. State burdens, however proportioned among citizens, should be borne by all. Every one who receives the benefits which government

gives should pay some share of the costs of government and should directly and not indirectly pay it. . . .

"Had each citizen to pay in a visible and tangible form his proportion of taxes, the sum would be so large that all would insist on economy in the performance of necessary functions and would resist the assumption of unnecessary functions, whereas at present, offered as each citizen is certain benefits for which he is unconscious of paying, he is tempted to approve of extravagance; and is prompted to take the course, unknowingly if not knowingly dishonest, of obtaining benefits at other men's expense.

"During the days when extensions of the franchise were in agitation, a maxim perpetually repeated was—'Taxation without representation is robbery.' Experience has since made it clear that, on the other hand, representation without taxation entails robbery." (pp. 219-20)

A Duty to Protect

In his chapter on "The Duties of the State," Spencer concludes that there is in effect just one: to protect the citizenry against external and internal aggression—against foreign enemies and against its law-breakers. And in the following chapter on "The Limits of State Duties," he asserts:

"The question of limits becomes the question whether, beyond main-

taining justice, the state can do anything else without transgressing justice. On consideration we shall find that it cannot. . . .

"If justice asserts the liberty of each limited only by the like liberties of all, then the imposing of any further limit is unjust; no matter whether the power imposing it be one man or a million of men. . . . We do not commonly see in a tax a diminution of freedom; and yet it clearly is one. The money taken represents so much labor gone through, and the product of that labor being taken away. . . . 'Thus much of your work shall be devoted, not to your own purposes, but to our purposes,' say the authorities to the citizens; and to whatever extent this is carried, to that extent the citizens become slaves of the government." (pp. 241-43)

Examples Galore

Though Spencer insisted constantly on the priority and necessity of deductive reasoning, few political writers have been so industrious and specific in citing and piling up concrete examples of the bungling, contradictions, and abuses of power in carrying out the multitudinous functions that governments have taken on. Long before he got to *The Principles of Ethics*, he had detailed scores of these not only in *Social Statics*, but in such essays as "Over-Legislation," "State Tamper-

ings with Money and Banks," "The Collective Wisdom," and many others.

So in the *Principles* he continued to cite case after specific case. Of drafting laws, for example:

"The judges themselves exclaim against the bungling legislation they have to interpret: one judge saying of a clause that he 'did not believe its meaning was comprehended either by the draftsman who drew it' or 'the parliament that adopted it,' and another declaring that 'it was impossible for human skill to find words more calculated to puzzle everybody.' As a natural consequence we have every day appeals and again appeals—decisions being reversed and re-reversed." (pp. 252-253) One would think Spencer was writing of conditions in America today, rather than those of England in 1890.

Of the coinage: "In this we have frequent changes where changes are undesirable. We have mixed systems: decimal, duodecimal, and nondescript. Until recently we had two scarcely distinguishable pieces for threepence and fourpence" etc. (p. 253)

Socialistic Legislation

In a discussion on "socialistic legislation," Spencer excoriates the then Prime Minister, Lord Salisbury, for sneering at basic principles and saying: "We ought first to dis-

cuss every subject on its own merits." This is the method, comments Spencer, "which has been followed by those legislators who, throughout past thousands of years, have increased human miseries in multitudinous ways and immeasurable degrees by mischievous laws. Regard for 'the merits of the case' guided Diocletian when he fixed the prices of articles and wages of workers, and similarly guided rulers of all European nations who, century after century, in innumerable cases, have decided how much commodity shall be given for so much money, and in our own country guided those who, after the Black Death, framed the Statute of Labourers [to hold down wages], and presently caused the peasant revolt. The countless acts which, here and abroad, prescribed qualities and modes of manufacture, and appointed searchers to see that things were made as directed, were similarly prompted by considerations of 'the merits of the case': evils existed which it was obviously needful to prevent. . . .

"Each one of those multitudinous regulations enforced by swarms of officials, which in France nearly strangled industry, and was a part cause of the French revolution, seemed to those who established it, a regulation which 'the merits of the case' called for; and no less did there seem to be called for the numberless sumptuary laws which, genera-

tion after generation, kings and their ministers tried to enforce." (pp. 260-61)

The Remarkable Contrast

After citing many more such examples, Spencer sums up the contrast between the amazing accomplishments of free and spontaneous social cooperation and the immense harm wrought by multitudinous government interventions:

"The average legislator, equally with the average citizen, has no faith whatever in the beneficent working of social forces, notwithstanding the almost infinite illustrations of this beneficent working. He persists in thinking of a society as a manufacture and not as a growth: blind to the fact that the vast and complex organization by which its life is carried on, has resulted from the spontaneous cooperations of men pursuing their private ends. Though, when he asks how the surface of the earth has been cleared and made fertile, how towns have grown up, how manufactures of all kinds have arisen, how the arts have been developed, how knowledge has been accumulated, how literature has been produced, he is forced to recognize the fact that none of these are of governmental origin, but have many of them suffered from governmental obstruction; yet, ignoring all this, he assumes that if a good is

to be achieved or an evil prevented, Parliament must be invoked. He has unlimited faith in the agency which has achieved multitudinous failures, and has no faith in the agency which has achieved multitudinous successes." (pp. 266-67)

In expounding these views, Spencer, so far as the bulk of public opinion was concerned, was an isolated figure. Similar ideas were being voiced by a handful of others, notably Auberon Herbert (1838-1906), but the vigorous opposition of Thomas H. Huxley (1825-1895) probably came much nearer to ex-

pressing the political philosophy of the great mass of the British public in the 1880s and 1890s, to the extent that they bothered to formulate any philosophy. Huxley's views will be considered in a future issue of *The Freeman*. 

—FOOTNOTES—

¹*Principles of Ethics*, Vol. II (Indianapolis: Liberty Classics), Ch. 6, p. 62.

²*Two Treatises of Civil Government* (Everyman's: E. P. Dutton), Second Treatise, sec. 21, p. 127.

³*The Spirit of the Laws*, XI.

⁴First Inaugural Address (March 4, 1801).

⁵*Principles of Ethics*, II, pp. 212-13.

A Sobering Thought

... the cautious thinker may reason:—"If in these personal affairs, where all the conditions of the case were known to me, I have so often miscalculated, how much oftener shall I miscalculate in political affairs, where the conditions are too numerous, too widespread, too complex, too obscure to be understood. Here, doubtless, is a social evil and there a desideratum; and were I sure of doing no mischief I would forthwith try to cure the one and achieve the other. But when I remember how many of my private schemes have miscarried; how speculations have failed, agents proved dishonest, marriage been a disappointment; how I did but pauperize the relative I sought to help; how my carefully-governed son has turned out worse than most children; how the thing I desperately strove against as a misfortune did me immense good; how while the objects I ardently pursued brought me little happiness when gained, most of my pleasures have come from unexpected sources; when I recall these and hosts of like facts, I am struck with the incompetence of my intellect to prescribe for society. And as the evil is one under which society has not only lived but grown, while the desideratum is one it may spontaneously obtain, as it has most others, in some unforeseen way, I question the propriety of meddling."

HERBERT SPENCER, *The Man versus the State*

IDEAS ON



LIBERTY

Facing the Moral Attack on Capitalism

Is it not paradoxical that after emerging like the phoenix from the ashes of the Gulag Archipelago Alexander Solzhenitsyn should speak out against the land of milk and honey? Is it not ironic that after having known starvation and torture he should attack the enviable—and surely envied—comforts of the West? And yet, on the occasion of the Harvard University commencement on June 8, 1978, the man who could well be called the most significant moral leader of our century, whose challenge to the conscience of mankind may prove to have been the ultimate test for our sclerotic spiritual fiber, accused us of moral myopia, of pretending not

to live in "A World Split Apart"—the apt title of his prophetic message.

The world is split indeed, by divergent ideologies no less than by economic disparities. Those disparities, of course, are no secret. Indeed, were economics alone at stake in the dialogue it would seem that the Marxist—assuming he is truly a materialist—would opt for capitalism: the experience of nearly two centuries indicates that prosperity is attained best when trade is not hampered by regulatory legislation.

Though few men are less utilitarian in outlook than Solzhenitsyn, he is no exception in recognizing the material success of the capitalist system. He thus readily concedes that "it is almost universally recognized that the West shows all the world a way to successful economic development," inflation notwithstanding. He notes immediately,

Dr. Pilon has taught and written extensively, in the fields of social and political philosophy. She is now Visiting Scholar and Earhart Fellow at the Hoover Institution on War, Revolution and Peace, Stanford University, Stanford, California.

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however, that in spite (or maybe because) of this, "many people living in the West are dissatisfied with their own society. They despise it or accuse it of not being up to the level of maturity attained by mankind. A number of such critics turn to socialism, which is a false and dangerous current."¹

The problem, evidently, goes beyond economics. It would seem that we have here not so much an absence of information concerning the success of *laissez faire* in producing wealth—indeed, wealth for the greatest number—as a deep misunderstanding concerning the ethical foundations of capitalism. The socialist challenge, I submit, is ultimately a matter of morality.

Capitalism Under Attack: The Socialist Challenge

Solzhenitsyn himself lists many of the reasons why Westerners are dissatisfied with their own society: a weak social structure with a correspondingly alarming level of crime, ubiquitous mediocrity, worries and tensions that naturally accompany competition, especially material competition, a highly conformist media, the cheap stupor that is television, and in general a pervading sense of "hastiness and superficiality" polluting our aesthetic space. Not many a contemporary liberal would disagree. It is nevertheless mysterious why the preferred alter-

native is almost invariably found in socialism. Whence its charm? Which of its attributes seduces the liberal critic? How do its cosmetics manage to hide the leprous wart?

In his speech, Solzhenitsyn makes no attempt to account for this disturbing state of affairs. He cites a book by Igor Shafarevich entitled *Socialism* (published recently in France and due to appear shortly in this country) as "a profound analysis showing that socialism of any type and shade leads to total destruction of the human spirit and to a leveling of mankind to death."² But how could—how *does*—such a system win the hearts and minds of intelligent people throughout the capitalist world? Solzhenitsyn tells us that in the East communism—which of course is but a shade of socialism—has suffered a *complete* ideological defeat (meaning, evidently, a *de facto* defeat, though tragically not *de jure*). Why, then, do we flirt with it in the West?

Undoubtedly Shafarevich's book has some of the best answers ever offered to that question. In an essay which summarizes the argument of his book, published in a 1974 anthology entitled *From Under the Rubble*, Shafarevich traces the ideology of socialism to the beginning of civilization, to Mesopotamia in the twenty-second and twenty-first centuries B.C., which Shafarevich takes to be the first known

society to embody the basic premises of socialism. These are: the abolition of private property, the destruction of religion, the destruction of the family. Explicitly, therefore, socialism is not only an economic concept but "an incomparably wider system of views, embracing almost every aspect of human existence."³ This observation provides a key to understanding the Western malaise. For it is clear that the same is true of "capitalism"—it too has come to refer to more, much more than the description of an economic system.

At least one authority on popular usage, the *American College Dictionary*, lists as a second meaning of capitalism "2. the concentration of capital in the hands of a few, or the resulting power or influence," to be read in conjunction with "3. a system favoring such concentration of wealth" (emphasis added). Capitalism is thus wedded to inequality. And if there be one supreme secular evil that truly irks the anti-capitalist temperament it is "inequality," sometimes also called "social injustice" to further load the term with self-righteous indignation.

"Social Justice": A Meaningless Concept

For those who abhor inequality, the question is simply what means will most effectively eliminate it. There will be some, of course, who

point out that in fact capitalism has done more than any other system to further that end. Thus William F. Buckley cites Professor Amnon Rubinstein, himself a socialist, as having made "a grudging, though elegant, admission in a television colloquy a year or two ago [1971-2] in Israel: 'On the whole,' said Rubinstein, 'those systems that have put liberty ahead of equality have done better by equality than those that have put equality above liberty,'" an idea Buckley very much shares,⁴ as does Senator Daniel Patrick Moynihan.

But others, who wish for greater equality than the grossly unaided eye is able to fathom in a capitalist system, would interfere with private economic arrangements by using the state's coercive power. And here the obvious differences are a matter of degree: some would have the state interfere only as a result of majority vote and only by taking away some, not all, of a person's private property, thus ensuring that each person receives from the public coffers only as much as it is deemed he "needs."

Given the contemporary climate, it is safe to say that Irving Kristol is right when he writes that in our day the idea that the income tax should have redistributive effects is no longer shocking. All about us we find evidence of such a passion which has now gained respectabil-

ity. What especially concerns Kristol, however, is what he takes to be a reluctance inherent in the capitalist ideology to come forth with its own necessary moral justification. Thus, for example, he deplores Friedrich von Hayek's alleged resistance to the very idea of judging whether capitalism is just. Kristol writes with some alarm that in his otherwise brilliant book, *The Constitution of Liberty*, Hayek offers an "argument against viewing capitalism as a system that incarnates any idea of justice."⁵

Unfortunately, Kristol misses Hayek's major point—even more clearly spelled out in his recent book, *Law, Legislation and Liberty*, where he answers Kristol's argument directly—which is to deny that *social* justice could possibly mean anything. Or, rather, the concept is "capable of meaning almost anything one likes"⁶: usually based on the analogy with human distribution of rewards, where it is appropriate to have some guiding principles, the concept misleads.

After all, the function of the market is simply "to indicate to people what they ought to do if the order is to be maintained on which they all rely."⁷ Indeed this is precisely why the market works: you are successful if your product is wanted (e.g., paid for) in the market place; if not, your claim that somehow it "deserves" success is empty. Only by

forcing people to buy what they do not wish to have—whether this be an outmoded railroad or horse-and-buggy, an inefficient way of producing steel or television receivers, a boring (or even obscene and revolting) form of art—could you be rewarded once you have failed in the market place. Is that "justice"? Does it not look like its very opposite?

But to say that Hayek dismisses the quest for "social" justice as illusory does not mean that he is either oblivious or indifferent to justice as such. Competition justly carried out prohibits fraud and violence. And this is the same idea that plays so central a role in Adam Smith's system of natural liberty. To take away from another, by force or fraud, is "injury" and thus "the violation of justice."

Without Force or Fraud

Capitalism is supposed to allow for free transactions in a world *not* previously redistributed (according to whatever scheme) through force or fraud. To continue on a just path, there must be no positive interference (or "takings," as the lawyer would have it). Only then will it work to produce the maximum possible prosperity for all—not regardless but, on the contrary, *because* of its justice.

"Social" justice, on the other hand, would have boggled the mind of an Adam Smith as it does Hayek's and

mine. A strong advocate of "beneficence," Smith not only applauded charity but demanded that a truly magnanimous man be compassionate and understand the limits of power and riches, those "enormous and operose machines contrived to produce a few trifling conveniences to the body."⁸ Yet "beneficence" is strictly distinguished from "justice." One may or may not engage in the former, depending on inclination and sympathy; the latter, on the other hand, must be observed on pain of worldly punishment.

Smith may have thought of beneficence as a means to attain "God's justice" on earth; but he would certainly have been puzzled if not quite horrified by attempts to impose it through the state in the guise of social justice. Hayek's refusal to discuss such a concept any further seems to me to be the only philosophically respectable approach.

Inequality Guaranteed

Government-enforced "social justice" leads to the sharpest inequalities. Indeed, when the state steps in allegedly to restore "social justice," invariably the result is the very opposite of what was originally intended. The literature describing the great gulf that is government-sponsored inequality is too large, but one of the very best documents on the subject is Hedrick Smith's

The Russians, particularly Chapter I, "The Privileged Class: Dachas and Zils."

My own experience in communist Romania where I spent the first fourteen years of my life is in full accord with Smith's observations. I remember well the segregated housing: the leaders lived in villas that were off-limits to the rest of us while we waited to be assigned our eight square meters of real estate per person in a prescribed city or village chosen at the discretion of bureaucrats who cared little about the distance from our relatives and friends. (Since then, matters have worsened: all uninvited citizens are now actually prevented by the police from strolling along the official streets of the Jianu district.)

There were also the segregated shops: we, the unprivileged, could only gaze through the windows of fancy stores with foreign products full of such delicacies as off-season vegetables and shoes that fit, unavailable to us no matter whether or not we might have had the money to buy such products.

Then came the segregated vacation spots: we knew exactly which villas on the Black Sea were reserved for Western tourists, for Eastern Bloc visitors, for the Romanian elite, and for the rest of the fortunate members of the proletariat who managed by hook or (mostly) by crook to be put on "the

list." A vacationer who happened to wander into the "wrong" hotel would be immediately arrested—an apartheid the likes of which money can never quite buy.

And of course there was always the early lesson in school, where we learned no later than kindergarten, before we had been able to spell out the red-lettered slogans decorating our walls, that some among us had been picked by a kind of irrevocable because ideological fate and were immune to the rules of ordinary—which is to say sandbox—justice.

I remember one well-dressed little fellow protesting my outrage at an unexplained confiscation of what I took to be my personal building blocks by right of first possession and useful (if admittedly unproductive) employment: "I'll tell my daddy," he said, "and he is gonna make you go away." I snatched my blocks right back, without understanding till much later the reason for my mother's livid complexion at the time I proudly recounted my adventure with all the braggadocio of a potential Gulag inmate.

To return, then, to the title of

Solzhenitsyn's address before his (largely apathetic) Harvard audience: "A World Split Apart." So it is indeed split, in the communist systems themselves, into classes of power: the planners versus the planned, the decision-makers as against the large mass of the people. All of this in the name, naturally, of "social justice." But the price, inevitably, is freedom. And to call such a state of affairs "justice" is an abuse not only of language but of common sense. ☉

—FOOTNOTES—

¹Alexander Solzhenitsyn, "A World Split Apart," *National Review*, July 7, 1978, p. 839.

²*Ibid.*

³Alexander Solzhenitsyn et al., eds. *From Under the Rubble* (Boston-Toronto: Little, Brown and Company, 1974), p. 31.

⁴William F. Buckley, Jr., *Four Reforms—A Guide for the Seventies* (New York: G. P. Putnam's Sons, 1973), p. 23.

⁵Irving Kristol, *Two Cheers for Capitalism* (New York: Basic Books, 1978), p. 259.

⁶F. A. Hayek, *Law, Legislation and Liberty*, volume 2 (Chicago: University of Chicago Press, 1976), p. 79.

⁷*Ibid.*, p. 80.

⁸Adam Smith, *A Theory of Moral Sentiments* (London, 1861), p. 262.

Francis E. Mahaffy

IDEAS ON



LIBERTY

ONLY when the state is restricted to the administration of justice, and economic creativity thus freed from arbitrary restraints, will conditions exist for making possible a lasting improvement in the welfare of the more miserable peoples of the world.

Constance Robertson



Follow the Leader?

BAFFLING to many reporters was the alleged change of character in Jim Jones. The tragic events in Guyana were said to “defy rational analysis.”

Unfortunately, however, the mechanics of mania are built into our fondest political and religious beliefs. They need only mass weariness with responsibility, and a character with charisma, to set the wheels grinding down the final road to Jonestown.

Are we not taught righteous loyalty to leadership in public school? Don't we learn surrender to another human being as saint or saviour in church? Aren't we trained to hope all our lives that “the right man” will come along, that the “right system” will prevail?

A would-be leader's sense of compassion and humanity may be genuine, or he may be nothing but a petty opportunist who sees a ready

market in religion or politics—but the outcome is the same.

When this “right man” tries to meet all the longings we dump upon him, when he sees that his own ecstatic and extravagant promises cannot be humanly met, what does he do?

Can we expect him to publicly announce that it was all a mistake, folks, go on home? Or can we expect him to resort to expediency and deception, in order to keep alive the fond illusion called leadership.

And when we become uneasily aware that relinquishing our interests to another is not working, what do we do? Do we admit it looks like we were all wrong? That we should figure out things for ourselves? Or do we permit, even encourage our chosen leader to manufacture miracles and present us with programs.

Jim Jones' change in character is no mystery. By investing him with the responsibility for their interests, his followers corrupted him as surely as he later ruined them.

Mrs. Robertson has a background in journalism, education, and advertising, and lives in Los Angeles with her husband and daughter.

Several decades ago in a nation torn by war and ravaged by inflation, a man came along with a system that offered strong medicine for hope, prosperity, and renewed pride. This man's passion and eloquence, his sincerity and dedication to his nation's rise, and his energetic radio presentations to reach the minds and hearts of the people—all combined to assure the simple and the intellectual alike that a *true leader* had risen. Women swooned, men cried, and God was thanked that at last these beleaguered human beings could be led to their high and holy destiny—as Master Race.

Never mind that his System was imperfect, requiring hatred for individuality and usurpation of property. All the suffering was for "the common good." Never mind that their beloved leader fell into pathetic fits and tantrums. Surely he was beleaguered by the burdens of greatness. Never mind the talk of murders and persecutions and personal aberrations. Great men are always misunderstood. His followers remained loyal—to the end.

Hitler and his movement is history now, but human nature has not changed. We still pin our hopes on anyone who even *talks* about competence and vision—which are qualities we need to develop in ourselves, not look for in others. But we are disarmed, for usually an influential creature comes cloaked in the garb

of respectability, beguiling even himself in his dapper uniform, his politicians' pinstripes, or the venerated robes of religion.

How many of us are aware of Executive Order 11921? (*Federal Register*, Vol. 41, No. 116, June 15, 1976.) Should any President find (or desire to create) a cause to declare National Emergency, this Executive Order allows the following: complete government censorship, usurpation of all production and distribution facilities (food, water, power, health services), management of all highways, streets, aviation equipment and facilities, plus more. It means complete control of the ways and means of our lives, if our leader even *calls* a situation a national emergency.

I'm less concerned over that likely event than I am over our blind reaction to it. Weary of our national malaise, concerned about world events, eager to have a renewed sense of direction, will we fall into the People's Temple trap? Will we, in fear and in gratitude, further empower a President with the surrender of our rightful responsibilities? In an emotional orgy of martial music and slick slogans, will we confuse our individual ethics with "our leader's" personal ambitions?

Will generations hence wonder that we were impressed with a man's religious and dedicated attitude, that we were delighted with

his righteous and charismatic anger? Will they comprehend how we slavishly rendered up our daily freedom, in misplaced hope and fear, to a President who could not *resist* "great leadership" and the "will of the people."

I'm all for defending my country. I'll fight if I have to, with a pen or a gun, for my family, my life, my liberty, my property. And I will join with those of a like mind, against all coercion, whether foreign or domestic. But "my leader," in war *and* in peace, will have to fend for himself. I will not *play* Follow the Leader. The bloody footprints from that age-old con-game are smeared all over world history. I will not go down as another sad statistic, as one of millions who relied on their government and trusted in their leader.

History's most recent reminder of our human gullibility, of the degrading symbiosis between avid leader and devoted follower, was Guyana. Jim Jones skillfully combined religion *and* politics to establish leadership over 1,000 conscientious and idealistic American people. How many more of us hold the same false beliefs—that our well-being is better off under the influence of a leader and his organization?

Rather than a mystery, the loss of integrity, property, liberty, and life is the *logical* outcome of our attachment to leaders and institutions. Degradation, despair, and death are

the historically proven prices we pay for looking outside ourselves for salvation.

Our solutions lie within. Inspiration is within. What we know as God is within *each* individual, no more so and no less so than in any other individual.

We need only to cultivate our personal self-esteem, but in gratitude, not in arrogance. We need only to cultivate our self-reliance, but in awareness, not contempt, for the concerns of those around us. We can travel the middle path of Dignity, as neither Manipulator nor the Manipulated. We can exercise what we believe in an involved and responsible existence, but we need never sacrifice our life to the personal values of another.

Shall we in the United States blunder into a debacle, surrendering in hopeful worship and obedience to a leader who touts "the common good" and "self-sacrifice"? Millions fell for that propaganda in Germany. One thousand *Americans* fell for it in Guyana.

Or shall we choose to be aware and responsible individualists, whose love for our families, our country, and our God is expressed in a calculated disdain of leaders, causes, and mass movements.

Know that we have a choice, in every action and attitude. Let freedom be.



Knowledge and Decisions



Thomas Sowell

THOMAS SOWELL, professor of economics at U.C.L.A. and the author of such important books as *Classical Economics Reconsidered* (1974) and *Race and Economics* (1975) is one of the most articulate advocates of the free market in the United States at the present time. Interestingly, the fact that he is black has caused many who might not otherwise carefully consider his work to pay it the attention it deserves.

In this book, he illustrates in depth the superiority of the market to various forms of collective decision making, and shows the manner in which the collective idea has gained in the U.S., tracing trends in economics, law and politics which are moving us away from freedom.

Mr. Brownfeld, of Alexandria, Virginia, is a free-lance author, editor and lecturer especially interested in political science.

In modern society, he notes, the number of separate individual decisions required to do something as apparently simple as bringing a slice of bread and pat of butter to the table—let alone something so complex as exploring space—is staggering to the mind. Yet processes involving a multitude of such decisions are undertaken every minute of the day by untold millions of people.

Dr. Sowell portrays society as a collection of interconnected and overlapping decision-making units ranging from "a married couple to a police department to a national government." They all operate under the inherent constraint of scarcity, and thus face the necessity of engaging in "trade-offs." Parents deciding how much time and energy to devote to the care of each of their children

or a police department determining which laws it will enforce most vigorously both must forgo some desirable options in order to pursue others. The weighing of costs and benefits that characterizes the economic sphere can be seen at work throughout the whole range of human choice: "Social values in general are incrementally variable: neither safety, diversity, rational articulation, nor morality is categorically a 'good thing' to have more of, without limits. All are subject to diminishing returns, and ultimately negative returns."

Knowledge and Decisions by
Thomas Sowell. Published by
Basic Books, 10 E. 53rd St.,
New York, N.Y. 10022, 1980.
422 pages, \$18.50 cloth.

There is a radical difference between the kind of knowledge possessed by producers of goods and intellectuals or bureaucrats. "To say that a farm boy knows how to milk a cow," the author writes, "is to say that we can send him out to the barn with an empty pail and expect him to return with milk. To say that a criminologist understands crime is not to say that we can send him out with a grant or a law and expect him to return with a lower crime rate. He is more likely to return with a report on why he has not succeeded yet, and including the inevitable

need for more money, a larger staff, more sweeping powers, etc. In short, the degree of authentication of knowledge may be *lower* in the 'higher' intellectual levels and much higher in those areas which intellectuals choose to regard as 'lower.' "

Incentives Differ

When any area of concern becomes the province of government officials, a different structure of incentives exists than when free market incentives were working. Government decision makers, for example, may act rationally within the context of their own personal and bureaucratic incentives and constraints—such as the desire for re-election or promotion, or for increasing the power of their agency—but this may produce a socially harmful result.

Thus, Dr. Sowell argues, "Much criticism of 'incompetent bureaucrats' implicitly assumes that those in the bureaucracy are pursuing the assigned goal but failing to achieve it due to lack of ability. In fact, they may be responding very rationally and ably to the set of incentives facing them. For example, government regulatory agencies are often very ineffective in controlling the industry or sector which they have a legal mandate to regulate. But it is a common pattern in such agencies for those in decision-making positions to (1) earn far less money than com-

parable individuals earn in the regulated sector, and (2) after a few years' experience to move on to jobs in the regulated sector. In short, they are regulating their future employers. Under such a set of incentives, it is hardly surprising that decision makers . . . approach those whom they are assigned to regulate with an attitude that is sympathetic, cooperative, and even protective."

The examples of such an incentive structure at work, Dr. Sowell shows, are numerous, among them, the Interstate Commerce Commission and the trucking industry, and the Civil Aeronautics Board and the airline industry. He declares that, "Much discussion of the pros and cons of various 'issues' overlooks the crucial fact that the most basic decision is *who* makes the decision, under what constraints, and subject to what feedback mechanisms."

Numerous Options

When government decides something—it decides it for everyone, often wrongly. "The advantages of market institutions," Dr. Sowell states, "over government institutions are . . . that people can usually make a better choice out of numerous options than by following a single prescribed process. The diversity of personal tastes insures that no given institution will become *the* answer to a human prob-

lem in the market. The need for food, housing, or other desiderata can be met in a sweeping range of ways. Some of the methods most preferred by some will be the most abhorred by others. Responsiveness to individual diversity means that market processes necessarily produce 'chaotic' results from the point of view of any single given scale of values. No matter which particular way you think people should be housed or fed (or their other needs met) the market will *not* do it just that way, because the market is not a particular set of institutions. People who are convinced that their values are best—not only for themselves but for others—must necessarily be offended by many things that happen in a market economy. . . . The diversity of tastes satisfied by a market may be its greatest economic achievement, but it is also its greatest political vulnerability."

Since an economy functions with scarce resources which have alternative uses, there must be some method of coordinating the rationing process and getting the most output from the available input. Discussing the manner in which the market proves itself the best source of such coordination, Dr. Sowell writes: "Price movements economize on the knowledge needed for given decisions. Where such prices are artificially maintained by force, rather than through voluntary transac-

tions, they convey misinformation as to relative scarcities, and therefore lead the economy away from the optimal use of resources. Accurate prices resulting from voluntary exchange permit the economy to achieve optimal performance in terms of satisfying each individual as much as he can be satisfied, by his own standards, without sacrificing others by their own respective standards. The results must, however, appear 'chaotic' to any observer judging by any given set of standards applied to all. . . . The most basic question is not what is best but *who shall decide* what is best. . . . Figures of speech about 'society' as decision maker ignore the diversity of individual preferences which are responsible for many of the very phenomena in question—whether economic, social, or political."

Timed for Short Run

Political decision making also has a time horizon which is confined to the very short run. "The time horizon of the constituent," the author points out, "may be his lifetime, and perhaps that of his children, or even the longer range interest of the whole society as an on-going enterprise. The inherent incentive structure facing a political surrogate emphasizes the time remaining between a given decision and the next election. The opportunity for policies

with immediate benefits and longer run negative consequences are obvious, not only in theory but in practice."

Government agencies also have no interest in solving the "problems" they were created to deal with. If they succeeded, their jobs would end. The result: ". . . the agency must then apply *more* activity per residual unit of evil, just in order to maintain its current employment and appropriations level. If the agency is supposed to fight discrimination against minorities, it must successively expand its concept of what constitutes 'discrimination' and what constitutes a 'minority.' Urgent tasks such as securing basic civil rights for blacks ultimately give way to activities designed to get equal numbers of cheerleaders for girls' high school athletic teams. A nongovernmental organization, such as the March of Dimes, could—as it did, after conquering polio—turn its attention to other serious diseases, but if it had a government mandate strictly limited to polio, it would have little choice but to continue into such activities as writing the history of polio, collecting old polio posters, etc., while children were still dying of birth defects and other maladies . . . a nongovernmental organization subject to feedback from donors or customers has incentives and constraints that lead to institutional

decisions more attuned to rational social trade-offs.”

The question, therefore, is not the nature of the men and women in charge of government programs, but the nature of bureaucracy itself: “Bureaucracies, by definition, are controlled by administrative or political decisions, not by incentives and constraints communicated through market price fluctuations. . . . The rank and pay of a bureaucrat is determined by his degree of ‘responsibility’—in categories documentable to third parties judging a process rather than a result. He is paid by how many people he manages and how much money he administers. Overstaffing, ‘needless’ paperwork, and ‘unnecessary’ delays may be such only relative to social purposes—not relative to the incentives established. Every ‘needless’ employee is a reason for his superior to get a higher salary . . .”

Government Is Not Society

One key myth which Thomas Sowell wants to dispel is that, somehow, government is the equivalent of “society.” It is not. Instead, he writes, “it is often not a consolidated decisionmaking unit but an overlapping montage of autonomous branches, agencies, and power cliques—each of these responsive to different outside coalitions of interest groups or ideologists. . . . A bureaucracy which can envelop its

processes in intricate and unintelligible regulations and bury its performance under mountains of tangential statistics has achieved the security of insulation from feedback. Knowledge costs—whether inherent or contrived—are institutional insulations.”

Trends today, both in the U.S. and elsewhere in the Western world, are clearly away from freedom. Democracy, Dr. Sowell reminds us, is a process, not a value. People can give their freedom away through the democratic process, as many have done. Hitler, after all, came to power in Germany through that very democratic process.

Dr. Sowell discusses the role of intellectuals in eroding freedom, a role played by intellectuals in other societies as well, for freedom denies them the power to inflict their ideas upon others. He chronicles the increasingly legislative role played by the courts and the non-elected bureaucracy and laments that, “Over the years, but especially in the twentieth century, the constitutional division of powers has been eroded or destroyed . . . the sheer growth in size of the federal government has given it new powers derived neither from the Constitution nor from any statutes, but inherent in the disposition of vast sums of money, many important jobs, and great discretionary powers of enforcing a massive and ever

growing amount of laws and regulations. . . . The size of government affects the ability of the citizens to monitor what it does—or even the ability of their elected political surrogates to monitor the activities of a far-flung administrative empire. . . . None of this is historically unique. In the late stages of the Roman Empire its civil servants 'felt able to exhibit a serene defiance of the Emperor.' . . . The same was later true of Czarist Russia, for John Stuart Mill declared, 'The Czar himself is powerless against the bureaucratic body; he can send any one of them to Siberia, but he cannot govern without them, or against their will.' The experience of Imperial China was very much the same."

The free enterprise system is, Dr. Sowell believes, worthy of support not only because it is the most efficient but, far more important, because it is the only economic system consistent with other freedoms. Those who oppose the free market, whatever their rhetoric, are really opposed to freedom, for which they would like to substitute their own ideological notions.

Although he understands the negative trends, Thomas Sowell is not a pessimist. If he were, he would not have produced this thoughtful and incisive defense of freedom. He concludes: "Historically, freedom is a rare and fragile thing. It has emerged out of the stalemates of would-be oppressors. Freedom has cost the blood of millions in obscure places and in historic sites ranging from Gettysburg to the Gulag Archipelago. A frontal assault on freedom is still impossible in America and in most of Western civilization. Perhaps nowhere in the world is anyone frankly against it, though everywhere there are those prepared to scrap it for other things that shine more brightly for the moment. That something that costs so much in human lives should be surrendered piecemeal in exchange for visions or rhetoric seems grotesque. Freedom is not simply the right of intellectuals to circulate their merchandise. It is, above all, the right of ordinary people to find elbow room for themselves and a refuge from the rampaging presumptions of their 'betters.'" ☉

F. A. Harper

IDEAS ON



LIBERTY

If man is to continue his self-improvement, he must be free to exercise the powers of choice with which he has been endowed. When discrimination is not allowed according to one's wisdom and conscience, both discrimination and conscience will atrophy in the same manner as an unused muscle.

The World in the Grip of an Idea

CLARENCE B. CARSON is well known to readers of *The Freeman*. He has a way of reducing complex things to essentials, presenting his arguments in simple common-sense language that cuts through the verbiage foisted on the world by ideologists of all stripes.

His *The World in the Grip of an Idea* argues that majority governments throughout the world are pretty much all of a piece. Some of them call themselves communist, others profess to be socialist of one type or another (there is Arab socialism, European democratic socialism, African socialism and so on). The Scandinavians speak of their middle way. The British have been "gradualist" collectivists since the 1880s, and their Fabianism has rubbed off not only on India but on practically all of their former colonies. The United States, with its

"progressivism," may have lagged a bit behind England, but it has been going in the same direction.

The Cold War, then, has represented a quarrel over means, tempo and personal leadership rather than a struggle over conflicting philosophies. The "idea" that grips the world is that everybody should agree that all efforts should be concerted to achieve human felicity on this planet, and that the State is the proper instrument to carry out the grand crusade.

The only trouble with the "idea" is that no two human beings have the same conception of felicity. One man wants to climb Everest, another is intent on being a gourmet. When the communists run up against this fact they fall back on the Rousseauistic theory that once "society" is remade, the "new man" will emerge, willing to forswear individ-

ualism in favor of supporting the General Will. The Fascists word it their own way—their goals are nationalist as well as socialist. Fabians and progressives are willing to approach the grand goal in piecemeal fashion. But they all agree that the force of the State is essential to reach the Utopian end.

The Consequences of Force

When force is used to make people over, it brutalizes its wielders and makes displaced persons of millions. Some states are worse than others, but, as Harold Laski once said in a moment of confession, "All governments are bloody." It's a matter of degree. What Mr. Carson has done is to set up a degree chart, which will give consolation to people who are lucky enough to have fallen among Fabians rather than revolutionary Marxists or Fascists. But the degree chart isn't going to help in the long run unless there is a revival of voluntarism and a reinstatement of the idea of society as something quite separate from the State.

The quarrel between revolutionary and evolutionary socialism is similar to the quarrel within Christendom in the seventeenth century. Mr. Carson devotes separate sections to the various anti-religious religions that have taken over in different parts of the world as the socialist gospel has made its converts. Lenin gave Marxism a ter-

rorist twist in Russia, and Hitler, in the Germany of the late Twenties and Thirties, proved himself an apt pupil of the Bolsheviks, whose murderous zealotry in dispatching the Czar's family included killing the royal spaniel.

The World in the Grip of an Idea by Clarence B. Carson. Published by Arlington House, Westport, Connecticut 06880. 562 pages, \$14.95 cloth. The book also is available from The Foundation for Economic Education, Inc., Irvington-on-Hudson, New York 10533.

It would be too much to blame the emergence of revolutionary socialism on the German mind, for Marx owed much to French revolutionary theorists as well as to Hegel. And, after all, the most influential preacher of the evolutionary socialist idea was a now-forgotten German named Eduard Bernstein. He saved western Europe for the Fabian ideal. But idealism itself has survived neither in Russia nor in Fabian England or Sweden. Dispensing with respect for individuals, evolutionary socialism becomes a series of negotiated compromises between groups. This entails a tyranny of sorts as individuals are made pawns within a group.

Political and Spiritual

Mr. Carson's history is brilliantly written. It brings us down to the present moment and his theory of the "two braces." All socialism is braced to communism, for the idea that has the world in its grip culminates in a state power monopoly. But braces, as Mr. Carson explains, work both ways. The dependence of evolutionary socialism on communism is largely spiritual—it is, says Mr. Carson, "the vision of a forward-marching, triumphant world socialism riding the wave of History." But communism itself is a counterproductive economic system. It depends on the non-communist world for inventions, for technological innovation, and even for periodic grain shipments, for survival.

Mr. Carson says the mutual dependence is bound to be only temporary: the lust of the communists is for domination. Mr. Carson offers his readers a "fearful prospect," with various centers of communism contending with each other, with terrorism and violence being stepped up on a world scale.

A Ray of Hope

Mr. Carson is not without hope, however. He ends with an odd attack on all sorts of organization, including the modern corporation. In this he echoes Bertrand Russell who wrote *Freedom Versus Organiza-*

tion and the Hilaire Belloc of *The Servile State*. I think he overreaches himself here: the big corporation is no monster as long as people are free to patronize rivals and to quit their jobs or sell their stock. But he is quite right when he says there is a hint of spring in the air. People are weary of socialism, of depending on institutions. "Men," he says, "are beginning to relearn an old truth: 'If you want something done right, do it yourself.' Specialization is breaking down . . . they are considering individual devices of providing electricity for their homes. In a thousand uncharted ways they are seeking to disentangle themselves from organizations and collectives."

Mr. Carson objects to being a number in a computer. But omnipotent government says you must have a social security number. As the computer memory banks become more and more cluttered, however, the police power can't keep up with the information that is stored. More and more people are becoming adept in avoiding getting the details of their lives into the computer in the first place. As Alice Widener has noted, we have a thriving underground economy. I wish Mr. Carson would devote his next book to exploring the extent of that economy—it might give real substance to his feeling that spring is indeed in the air. ☉

**FREE TO CHOOSE:
A PERSONAL STATEMENT**

by Milton and Rose Friedman
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Reviewed by William L. Baker

STEAMROLLER GOVERNMENT is the bane of twentieth century life. It is the trademark of our time. Expanding budgets, unfettered taxation, galloping inflation, burgeoning bureaucracy, tireless assaults upon individualism and productivity are the tragic earmarks of our painfully collectivized world. *Free to Choose* tackles this Leviathan and dispels much of the ignorance, the many clichés, and the persistent myths which envelop the welfare state. Author of a growing shelf of free market books and monetary treatises, Milton Friedman brings to his latest task the rarefied prestige of the Nobel Prize, a formidable array of mental tools and academic skills. Mrs. Friedman is a scholar in her own right.

Essentially, the Friedmans tell us that the market economy is indispensable to a free society. It is the free market which generates maximum production and provides the means for every other liberty. As an aid in convincing recalcitrant readers, the authors invoke the "in-

visible hand" of the redoubtable Adam Smith, whose *Wealth of Nations* appeared the same year as the Declaration of Independence ("a curious coincidence").

The "miracle" of American productivity, the authors point out, stems from the market—free men engaged in voluntary exchanges. Private initiative unrestrained by the bureaucratic tyranny of economic controls produced the wealthiest country ever. Critical to this paradigm is the role of prices as transmitters of information—a peculiarly "Austrian" notion. It was Adam Smith's great "flash of genius," however, that prices (emerging as they do from voluntary transactions) coordinate the myriad activities of millions of unsuspecting actors blissfully unaware that they are part of any general system or plan.

It is this apparent "planlessness," this "anarchy of production" of free market capitalism that interventionists and collectivists decry so vacuously, ignorant that the underlying harmony is bolstered and guided by the phenomenon of price, which in turn is the reliable reflection of consumer spending. This issue is not, and never has been, "planning" versus "not planning" but, rather, who shall do the planning? Shall production be dictated by the socialist board of central planning; or shall producers be

guided by the millions of customers casting their "ballots," expressing their wants in the daily plebiscite of the market? Only the latter is compatible with a society of free people.

There is an excellent chapter favoring free trade, establishing the point that "controls on foreign trade extend to domestic trade." Social Security and other "welfare" measures are shown to be hollow promises. Government schooling is severely critiqued, as are labor unions, and the various regulatory agencies allegedly designed to protect the consumer.

Only when they come to the chapters on inflation and the depression do the Friedmans abandon their free market scenario. Here the authors are all for the Federal Reserve System (a notorious instrument of governmental hegemony over the market), government sponsorship of the money supply, and a yearly rate of officially prescribed doses of inflation. It is true that the Friedmans correctly diagnose the economic culpability of government. Moreover, they easily pierce the standard fallacies that it is the greedy businessman, the unions, or rapacious Arab sheiks that generate inflation. But the "cure" which is served up is dubious indeed. It is to control inflation by carefully calibrated doses of inflation! Government would legally expand the money supply at a fixed annual rate—as if the political pro-

cess could be trusted to achieve an economic end!

Furthermore, the authors are convinced that the Great Depression resulted from a deflation, a too-sharp reduction in the amount of money in circulation. Certainly they err. An elementary application of Say's Law would enable us to understand that a contraction in the money supply followed by a corresponding drop in wages and prices need present no insurmountable difficulties. Except for the initial period of readjustment inescapable during any period of deflation, no serious curtailment of goods and services need result. However, if the government attempts to artificially enforce yesterday's prices with today's monetary quantity, tragic dislocations and bottlenecks are inevitable. That was the legacy of the Great Depression: a futile attempt to prop up inflated prices with a deflated currency.

The Friedmans believe that we need a governmentally sponsored central bank of issue. Misesians would argue that the existence of such a bank has been the problem all along. What is really needed is a free market money divorced from the arbitrary acts of power brokers and political collaborators. At any rate, to couple the "free market" with a governmental monetary bureaucracy amounts to a regrettable contradiction in terms. ☉

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